

SEPTEMBER 1, 1935  
TWENTY CENTS

# Sales management

## SOUTHERN QUOTAS

Set for 36% Increase: Farm  
Marketing and Industrial Ex-  
pansion Favor Continued Rise

## LIGGETT ALLOWANCES

Yield \$218,000 Profit From 104  
Special Deals

## CONSUMER CONTESTS

Do They Add—and Hold—New  
Customers?

THE MAGAZINE OF MODERN MARKETING

# *We wonder whether a* **WEATHER BUREAU** *is worth while . . .*



WHEN the News Building was in the blueprint stage, somebody got the idea that it would be nice to have a globe and some weather charts in the lobby, for people to look at.

Raymond Hood, the architect, liked the idea so much that he spent more than \$200,000 on black glass and chromium metal, and a twelve-foot globe, and charts and graphs and strange instruments all around the wall. It is a pretty swell lobby.

Well, after we got all the instruments in, we found out that somebody had to take care of them. Dr. James Henry Scarr, of the U. S. Weather Bureau in New York, had helped in getting the gadgets together, and he suggested one of his assistants for the job—Mr. J. Henry Weber. So we gave Mr. Weber the job, with the title of Meteorologist, and an admiral's uniform he hardly ever wears.

We figured that we had taken Mr. Weber out of the Weather Bureau, but that was just our mistake. Mr. Weber proceeded to make us into a weather bureau. The instruments, in the first place, are like babies and have to be cared for twenty-four hours a day. In the second place, there are reports to get out every few hours with nineteen or twenty-four copies of each. Why there are so many reports we didn't know, but Mr. Weber says you can't run a weather bureau without reports. Meanwhile the reports keep piling up, filling room after room. In another ten years or so there won't be any space left in the News Building for tenants.

Well anyway, Mr. Weber rustled up some assistants. Two of them are ex-government men from places like Panama, Medicine Hat and Nome, where the United States Weather Bureau has stations and makes reports. Another came in cold from civil life.

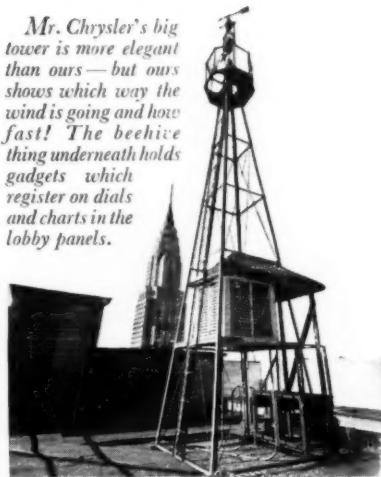
These Weather Bureau guys are just like G-Men. Besides making reports,

they watch every little thing, take care of the gadgets, answer all kinds of questions, give lectures, and apparently keep all our lobby customers satisfied. Have you never been in the News Building lobby? You want to come up and see us sometime!

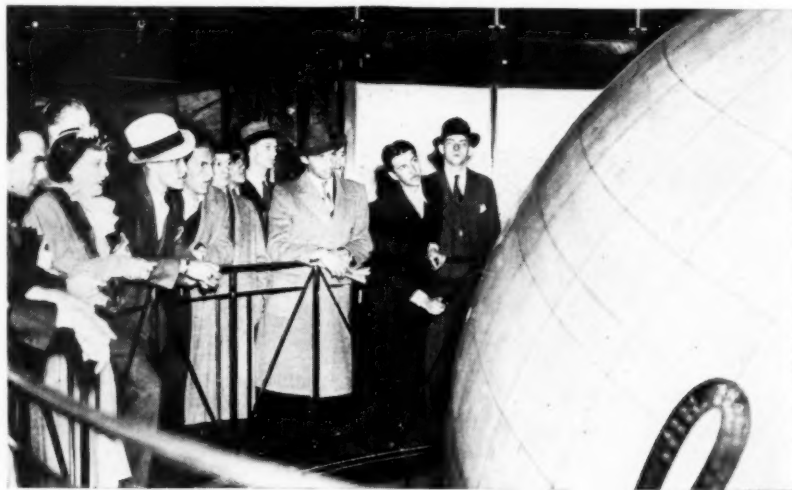
WELL anyway, our weather bureau has been running along smoothly for five years and we hear very little from our meteorologists. But last Friday a friend of ours phoned us, on account of he was going fishing Saturday and wanted to know whether he should take along sunburn cream or long woolen drawers; and what kind of weather did our weather bureau offer?

So we tried to call Mr. Weber on the phone but had to make six calls before we got him. When we got him we asked what kept his phone so busy. Mr. Weber said he had a lot of calls, especially on Friday. We asked who was doing all the calling but he said he was too busy to tell us and would send up a report. Trust him for that!

*Mr. Chrysler's big tower is more elegant than ours—but ours shows which way the wind is going and how fast! The beehive thing underneath holds gadgets which register on dials and charts in the lobby panels.*



Well, sir, you could have knocked us over with Jimmy Braddock when that report came up. It seems there are an awful lot of people who prefer to get their weather from us rather than the U. S. Bureau for which they pay taxes! Our weather bureau got more than 25,000 phone calls in the first six months of 1935 and 6,100 more in July!



*When something big breaks out abroad, the meteorologist (Mr. Weber, in this case), dishes up a tasty résumé of the news on the globe. The globe obligingly turns around while he X's the spot. The young actress in the foreground hangs on to Mr. Weber's words and the railing. When he is finished, nobody even has to buy a paper—that's how altruistic we are!*

And from who—we mean whom! Here are some of its clients:

1—Individuals phone for data on flying weather, rain over weekends, skating and snow at winter resorts.

2—Remington-Rand phones daily in the summer months to get data on temperature and humidity, for use in the manufacture of stencils.

3—Office buildings call for probable temperature and humidity, to set controls on air conditioning apparatus.

4—The Port of New York Authority; wind velocity, to keep barges under control; snow and ice data, to keep bridges serviceable.

5—Good Humor Ice Cream Co.; to determine next day's production.

6—New York Steam Corporation; temperature data for following day, to gauge load and pressure needed.

7—Railroads; for ice, snow and sleet conditions; for snow coverage at resorts in the Poconos and Berkshires where Sunday "snow trains" are run.

8—Long Island Railroad; in the summer, for fishing conditions off Montauk Point.

9—The I. R. T.; temperature data. City law requires heat in cars when temperature falls below 40 degrees F.

10—Department of Sanitation, New York City; snow reports, to determine when to hire men for snow clearing.

11—Madison Square Garden; in summer, to get rain data preceding any event in the Bowl.

12—The Polo Grounds; rain data.

13—WMCA and other stations; for forecasts, before outdoor broadcasts.

14—Building superintendents; in winter, to plan heat requirements.

15—Steamship companies; four-day forecasts, preceding weekend cruises.

16—Long Island farmers, in summer and fall; to gauge harvesting.

17—Produce dealers; in winter, to arrange for unloading cars and ships at night if temperature is going to reach the freezing point.

18—Trucking firms; for snow data.

19—Restaurants; for forecasts, to plan menus, gauge supplies.

20—Contractors pouring concrete, in winter.

21—Coal and fuel oil companies; to gauge demands and deliveries.

22—Department stores; for forecasts, to estimate store traffic and stock requirements on the next day, and to run or postpone certain advertising.



*Some of the younger set drop in and get confused and argumentative over degrees Centigrade and barometric pressure and such. It's really very educational!*

23—Advertisers of anti-freeze, lotions, etc., to determine insertion dates.

24—A manufacturer, testing building materials for heat conductivity, phoned every day for almost three years for wind direction and velocity.

25—An architect, planning building with N.E. exposure (the same as the News Building) wanted data on wind velocities to figure stresses and strains.

26—Ice skating rinks; wanting temperature forecasts.

27—Swimming pools; to get ready for following day's business.

28—Yachtsmen; for wind velocity and direction; particularly before and during the Bermuda race.

29—Sports; a large volume of calls are received in summer for weather conditions in major league cities, and information on weather at race tracks.

30—And weather nuts, in plenty!

PRIOR to this exposure of Mr. Weber's activities, we often wondered



*Because of the absolute impartiality of the rain which falls with equal abandon in your backyard and on our roof, this innocuous little stovepipe contraption can catch and measure rainfall. Ain't science wonderful?*

whether our Weather Bureau was worth while. It clutters up the lobby with people something awful some days, and keeps our telephones ringing. The reports take up a lot of rentable space, and Mr. Weber and his gang have to be paid. But now we're sort of reconciled to the business.

After all, the weather is news that a lot of people want every day—nice, sane, respectable news that will never get you into no libel suits or lose some advertising for you. And we guess it is just as sensible to collect good news in our own lobby as it is to have reporters running around and picking up news that is sometimes not so good. Then too, reporters take up a lot of space and bring in heavy expense accounts, a racket which Mr. Weber and his gang never caught on to. So we think that our Weather Bureau is pretty good. It puts us closer to the heart of our great public. And with big business men, farmers, railroad men, sea captains, yachtsmen and ski jumpers calling us up, it shows that we have plenty of class circulation.

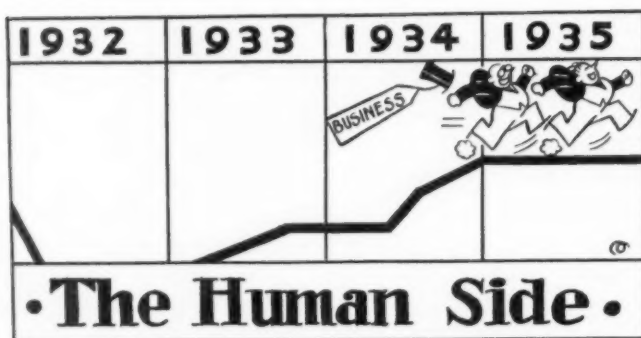
So if anybody wants to know why you are running your ads in The News from now on, you can tell him that The News not only has the largest circulation in America, and the lowest milline cost and largest display lineage in New York, but it also has one of the best and most popular private weather bureaus in existence anywhere. And what other medium can offer a Weather Bureau?

# THE NEWS

NEW YORK'S PICTURE NEWSPAPER

Tribune Tower, Chicago • Kohl Bldg., San Francisco • 220 E. FORTY-SECOND STREET, NEW YORK





### G-E Nondehiscent Lily

General Electric gives the country another surprise. It patents a lily. You would expect G-E scientists, always pioneering in the unknown, to come back with new superheterodynes, iconoscopes, balanced attenuators. You would expect them to be flippantly familiar with trifles such as thermionic delay relays for cathode protection and oxide film lightning arresters. But how come they patent a lily?

It is almost as surprising as Steinmetz's packing case. That mathematical celebrity once applied his giant intellect to the problem of protecting dental X-ray tubes against breakage in truckmen's hands—and saved the company hundreds of thousands of dollars. Now C. N. Moore, X-ray expert, experimenting with the effect of Roentgen rays on various kinds of matter—with no intention of inventing a patentable lily—discovers how to produce an entirely new type.

He treated bulbs of regal lilies with varying doses of rays and discovered such bulbs produced lilies the next year whose anthers did not burst and spray their pollen all over the flower, spoiling it for display, but closed around it instead. This General Electric gives the floral industry something entirely new to sell—the General Electric nondehiscent lily (scientists' highbrow name). Before long it will flood the market as the X-ray flower at a steep price per dozen.

### The Good Old Days

Julius Kessler harks 'way back. He has been distilling whiskey for about half a century. And before that he was around some. He was in St. Paul in 1883 when the Northern Pacific started its transcontinental train service. He knew Buffalo Bill in South Dakota. He tried to join Custer a couple of years before Sitting Bull massacred Custer's outfit on the Big Horn, but they wouldn't take him because he was too young. He met Mark Twain 40 years ago. Yes, Julius harks back.

And so, when Seagram's decided to name a new line of dollar-a-pint whiskey after him this Fall, some of the old-time recollections came in handy. It seems that liquor retailers are pretty well bogged down in announcements of whiskey lines. To hook their interest in Kessler whiskey Julius began sending them, late in August, a series of picture postcards . . . of all things.

One shows a street scene in Leadville, Colorado, 58 years ago where "Silver Dollar" Tabor made his millions in mining. Several thousand retailers probably were a bit surprised at receiving it. On the back printed in Julius' own handwriting, is a scrawled message, saying: "For all I know one of these fellows in this picture is yours truly. I was in Leadville in those days and I sold whiskey to Tabor." On the Northern Pacific train postcard he wrote: "I saw this old train leave St. Paul on

this famous trip. And I sold the Northern Pacific my whiskeys for many, many years." Always a hook-up between the old days and Kessler in the whiskey business.

So retailers, getting these cards day after day for a week or so, were expected to be familiar with the antiquity of Kessler whiskey by the time the real announcement of the new line reached them and salesmen called.

But probably Julius' crowning card is the one about Carrie Nation, famed from Kansas as a personal smasher of saloons—with her own hatchet. Under the picture of Carrie, her reticule couchant, her hatchet rampant, is this caption: "Grand old lady . . . and a dry. There were only four dry states in 1907. It was largely due to her saloon busting activities that we have the sensible regulations of today." Of her Julius writes: "I met Carrie in St. Paul in 1884. Whiskey men like me had a lot of respect for her. She had high principles and she did a good job.—Julius Kessler." This, we think, is diplomacy, for a 1935 liquor is watching its step.

### Another "Save the Surface" Campaign

Being a very practical people, the kind that took a box of powder, a bit of shampoo and some paints and ran them into an annual business with a total rivaling the national debt, the American Cosmeticians Association at their 16th annual convention, which ended in Chicago the other day, came through with some fresh ideas:

1. The ladies having cut off their hair, this Fall artificial hair will be worn on the best heads. There'll be braids and puffs and extra pieces. Some will be stuck around just here and there. The trend is toward the Grecian hair dress.
2. The lady who has spent the last 10 or 15 years plucking out her eyebrows will want 'em all back now. A good, full planting is the aim this season.
3. Brunettes and titians are in favor. The platinum blonde? In the ash can. The darker gals can wear more makeup, you see, and that helps business.
4. Bright red nail polish, the kind that makes hands look like claws dripping blood, is out. No nice dame will wear it. But the hair will be brightened up. They've developed a preparation that puts a swell glint in it; like polishing a brass teakettle.
5. Eye-shadow? For night wear only. And then just a shadow, not a threat.

Selling the ladies hair for their heads, the cosmeticians agreed, is grand for the beauty shops. A good business maker . . . if the ladies fall for it.

### Warners' Challenge

After having spent \$1,500,000 on the production of the Shakespeare-Mendelssohn "Midsummer Night's Dream," Warner Brothers will show it in your community only if the bigwigs there get together and decide they want it. They must sponsor the showing.

The Warners are doing this with the active co-operation of Czar Will Hays of the movie industry for several reasons. One of them is that the "Dream" is not customary movie fare. It will be presented more as a "legitimate" theatrical production. It is long—more than two hours, and there will be intermissions between acts. It is Shakespeare—albeit Shakespeare in lighter vein. For that reason it may be feared that it will appeal only to those rather few people who go to see Walter Hampden and Katherine Cornell or who retain vivid memories of Mantell and Booth.



Kessler's Pal Carrie

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in April and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. September 1, 1935. Volume XXXVII. No. 5.



# FOOD *for* THOUGHT,

*Mr. Advertiser*



*There are more Mortons reading  
the American than any other  
Chicago EVENING paper.*

**CHICAGO  
AMERICAN**  
... a good newspaper

The Mortons are typical of hundreds of thousands of Chicago American families. This is not to say that there are not other families like the Mortons reading other Chicago newspapers. Of course there are! Our point is this: the American has built up, over the years, a tremendous following among the Morton type of family. And this type of family, Mr. Manufacturer, is the best kind of customer for food—or for anything.

It possesses all the elements that work together to create sales. The Morton type of family is within the age range—in its 30s or 40s—which is earning the bulk of America's income today. It has growing children, still

under the parental roof, still dependent upon parental purse strings. It is not hidebound by tradition and reacts sympathetically to new ideas—and the advertising of them. In a word, it is the class market of today, combining quality (young, income-earning families) with quantity (more families, more individuals per family).

Unquestionably, the American controls the Mortons. It offers you the largest evening circulation in Chicago, more young, growing families, the most concentrated, at-home-in-the-evening circulation in town. So, Mr. Manufacturer, advertise to the Mortons; they'll literally eat up your sales story!

NATIONAL REPRESENTATIVES: HEARST INTERNATIONAL ADVERTISING SERVICE

Rodney E. Boone, General Manager

# SALES management

Vol. XXXVII. No. 5

September 1, 1935

## CONTENTS

|   |     |
|---|-----|
| <b>Advertising</b>  |     |
| Advertising Campaigns .....   | 213 |
| Do Consumer Contests Attract New Customers—<br>and Hold Them? .....   | 202 |
| <i>One of a series of surveys made by the Market Research Corporation of America for SALES MANAGEMENT, with interpretive comments by Philip Salisbury, Executive Editor</i> |     |
| Faultless Starch Recorded Programs Enliven Weak,<br>Slow Sales Areas .....  | 220 |
| Liggett Makes Profit of \$218,153 on \$1,177,327<br>Advertising Allowances .....  | 206 |
| Shifts in Media Do Affect Cigarette Sales, But—   | 224 |
| <b>General</b>  |     |
| Pros and Cons on National Sales Executives' Club<br>Continue to "Jell" .....  | 218 |
| Sales Signposts on the Transcontinental Trail .....   | 214 |
| <i>By Walter E. Mair, Field Editor</i>  |     |
| Significant Trends .....  | 199 |
| <b>Markets</b>  |     |
| Increased Farm Income Forecasts Greater Retail<br>Volume in South .....   | 240 |
| <i>By A. L. Jackson, Editor, Economics Statistics</i>   |     |
| New Car Sales Show Cotton Belt Well on Road<br>to Recovery .....  | 236 |
| <i>By Ray B. Prescott</i>   |     |
| Sales Gains in South Outstrip Those in Other<br>Sections .....  | 229 |
| South's Industries Lead in Business Upturn ....   | 232 |
| <i>By Howard L. Clark, Managing Editor,<br/>Manufacturers' Record</i>   |     |
| <b>Product Design</b>   |     |
| New Products and New Packages .....   | 204 |
| <b>Sales Campaigns</b>  |     |
| Arco "Packages" House Heating; Runs Contest<br>to Get Buyers .....  | 221 |
| Kelvinator Capitalizes Advantages of FHA .....  | 208 |
| Marketing Flashes .....   | 210 |
| <i>By D. G. Baird</i>   |     |
| Rising Tide of Cans for Beer Prods Bottle Makers<br>to Action .....   | 211 |
| <b>Salesmanship</b>   |     |
| The Forgotten Man .....   | 207 |
| <i>By Bruce Crowell</i>   |     |
| <b>Sales Policy</b>   |     |
| "End Secrecy" Plan for Sales Policies Has Group<br>Backing .....  | 245 |
| Dr. Pepper 5-Finger Plan Is Simple, But It Hits<br>New Sales Highs .....  | 212 |
| <i>Based on an interview by Ann Bradshaw with<br/>W. V. Ballew, Sales Manager,<br/>Dr. Pepper Company, Dallas, Texas</i>  |     |
| <b>Sales Training</b>   |     |
| Ice Industry's Wagon Men Boost Refrigerator Sales..   | 205 |

EDITORIAL STAFF: RAYMOND BILL, Editor and Publisher; PHILIP SALISBURY, Executive Editor; A. R. HAHN, Managing Editor; E. W. DAVIDSON, News Editor; M. E. SHUMAKER, Desk Editor; F. L. SULLIVAN, Production Manager.

ASSOCIATE EDITORS: JAMES R. DANIELS, LAWRENCE M. HUGHES, LESTER B. COLBY, D. G. BAIRD, MAXWELL DROKE, RAY B. PRESCOTT, L. R. BOULWARE, FRANK WAGGONER.

Published by Sales Management, Inc., RAYMOND BILL, President; PHILIP SALISBURY, C. E. LOVEJOY, JR., M. V. REED, R. E. SMALLWOOD, W. E. DUNSBY, Vice-Presidents; T. J. KELLY, Secretary; F. G. FRANCIS, Treasurer. Publication office, 420 Lexington Avenue, New York. Telephone Mohawk 4-1760. Chicago, 333 North Michigan Avenue. Telephone State 1266. Santa Barbara, California, 29 East de la Guerra. Atlanta, Georgia, 42 Peachtree Place, N. E. Subscription price, \$4.00 a year. Canada, \$6.50. Member Audit Bureau of Circulation, Associated Business Papers, Periodical Publishers Institute.

And having done a "classic"—in part as an answer to vigorous recent critics who have endeavored to prove that the movies are mainly silly if not wholly degrading—the Warners and Hays now turn around and say, "Here is a good film. What are you going to do about it?"

The film will be released October 9. The local-organization phase of a publicity and advertising program which probably will cost \$300,000 has just gotten under way. Only 30 or 40 communities thus far have been heard from. All of them are favorably inclined.

Communities which do not get busy and sponsor the showing, the Warners warn, will not have the "Dream" for a whole year. This, however, doubtless will prove just a publicity threat. All are expected to organize. Editors and clergymen and business men and others will be taken aside and shown what a fine thing the "Dream" will be for everybody.

Through a tie-up with the National Education Association, 500,000 "study guides" on the "Dream" will be distributed. The Shakespeare Association of America, Inc., is expected to sponsor a national essay contest about it, major prizes being trips to Europe on the "Queen Mary."

And for those who fear that, what with the Shakespeare words and plot, the Mendelssohn music, the Max Reinhardt direction and the Nijinsky dances, the "Dream" will prove too highbrow, it will be duly emphasized that the play is starring James Cagney, Joe E. Brown and Dick Powell.

## How Come a New Cover for SM?

The executive editor is a baseball fan. One day after his grandmother had passed away for the 23rd time he came back to the office and remarked, "That pitcher was a wow on the mound because he had change of pace. Let's alternate SM's covers and get a bit more variety into our delivery."

So a hurry call was put through to 305 East 46th Street—Eugene Heffel, of Auxiliary Service. Heffel designed the other SM cover, the one with two panels and pictures against a black background. He has been an advertising salesman, copy man, artist and art director ever since he dismounted as a trooper of the First New York Cavalry during the World War. He was art director of Frank Seaman and Husband & Thomas agencies before starting his own Auxiliary Service. In 1931 Auxiliary won an Art Directors Club medal for excellence of illustration.

Designer Heffel produced assorted styles of covers and said, "Take your pick." Obviously it was impossible to submit these "roughs" to all SM's readers from the Gold Coast, West Africa, to Tokio, Japan—and points between. The editorial staff, therefore, had to substitute as combination reviewing stand and Electoral College. Finally the design which meets your view on this issue was chosen by a large plurality. Here's hoping you like it!

## "All in a WifETIME"

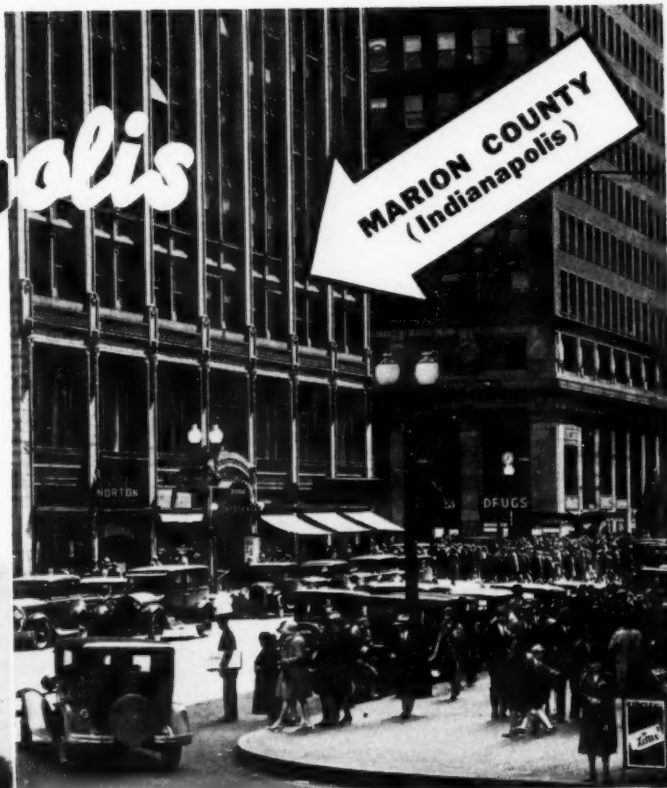
"All in a WifETIME," a unique puppet show, has been produced by Norge Division of Borg-Warner Corporation, under the direction of James A. Sterling, advertising and merchandising manager. Following through on the success scored earlier in the year by the elaborate stage production, "The Freedom of the Shes," this puppet show carries a dramatic sales story with the added advantage of being easily put on in any retail location.

Marionettes five-twelfths human size are utilized, with miniature reproductions of Norge Rollator refrigerators, ranges, and washers forming the basis for an attractive and entertaining demonstration of Norge use values. Each demonstration, a complete playlet, requires thirty minutes. The troupe carries complete equipment, scenery and eight-foot stage. Additional short comedy features are available for presentation, requiring three to four minutes to perform.

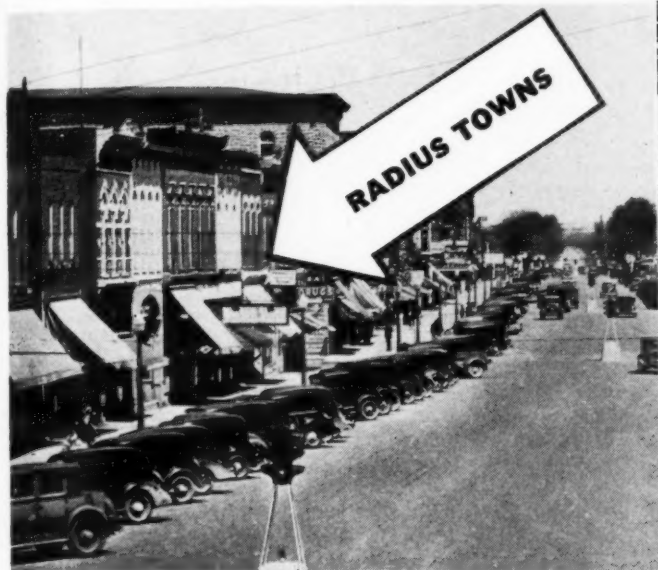
Department stores and specialty dealers report this puppet show to be invaluable in pulling crowds into their stores during the Summer season, particularly when used as an added attraction at cooking school demonstrations. The stage can be easily erected in stores, theatres, booths or at Summer fairs, and Norge dealers have experienced its potent sales building power with a minimum of investment.

# Sell Indianapolis

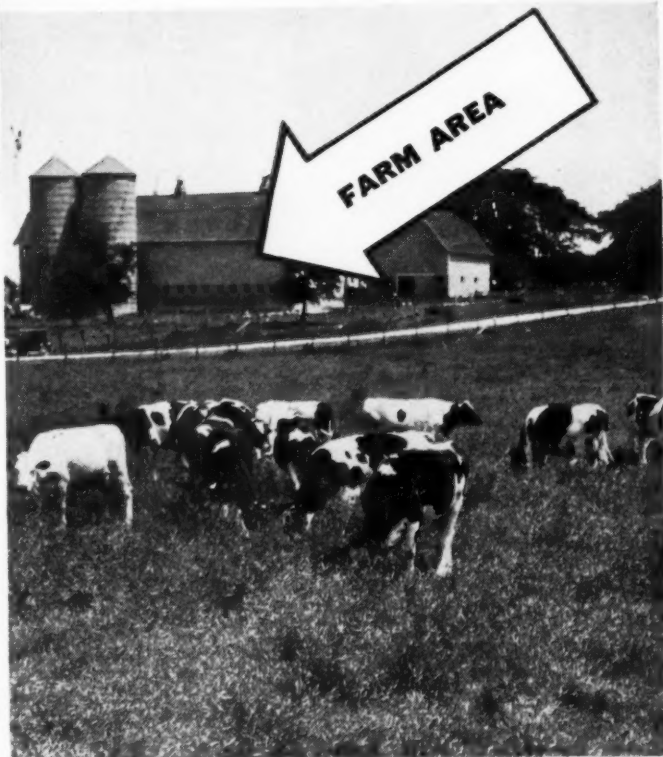
.... AND THE REST OF  
THE RADIUS FOLLOWS



● INDIANAPOLIS DEPARTMENT STORES report that approximately 25% of their total sales come from the Radius outside Marion county.



● FORTY TOWNS with a population of 2,500 or over are situated within 70 miles of Indianapolis. These towns provide easy and adequate distribution for all products in the Indianapolis Radius.



● 1935 FARM INCOME in Indiana will approximate half a billion dollars—probably greater than any year since 1925. During the first half of the year, Indiana led all other states in increase in income from the sale of farm products.

When an advertiser sells Indianapolis, he is not confining his efforts to the 21st city alone . . . but is actually selling a market as large as the city markets of Cleveland, Detroit, Los Angeles.

The commodities that are sold in Indianapolis stores, used in Indianapolis homes, advertised in Indianapolis' leading newspaper soon find their way into the rest of the fertile 70-mile Radius.

Your advertising in the newspaper that is being read daily by the key families in ALL parts of the Indianapolis Radius makes the most of the big opportunity this profitable market affords.

THE INDIANAPOLIS *News*

New York: Dan A. Correll, 110 E. 42d St. Chicago: J. E. Lutz, 180 N. Mich. Ave.

SEPTEMBER 1, 1935

[197]



**I'M REACHING THE BEST FARM  
BUYERS IN AMERICA FOR  
1/2 MY FORMER COST  
PER FARM!**

**SINCE I REPLACED "CITY FRINGE" COVERAGE  
WITH REAL ON-THE-FARM CIRCULATION!**



I'VE gone behind bulk circulation figures to find out who *really* reads leading farm magazines—and why!

I've discovered how to escape the waste cost of newsstand, suburban, "city fringe" circulation and high duplication. Now I'm buying the most nearly complete coverage of real-on-the-farm buyers available. In *preferred* papers! In the 8 richest farm states! At half my former cost per farm! The Midwest Farm Paper Unit!

"Surveys showed me it gives me 12% more farm buyers than my former expensive combination of five nationals—76% of the on-the-farm population against 64%.

"It gives me coverage concentrated enough to merchandise—in the 8 states that spend nearly 1/3 of America's entire farm income. Where this year's income increase for the first 6 months is 28% compared with an increase of only 7% for the other 40 states.

"And my coverage is *surer of a reading*. By on-the-farm farmers! By farm dealers. Every important study for 20 years shows farmer-and-dealer preference for these state farm papers.

"That's why I put Midwest Farm Paper Unit first on any farm list."



### STATE FARM PAPERS

*Preferred by  
Farmers—Dealers*

Every survey shows farmers prefer to read these State farm papers. Jobbers—dealers—prefer them to sell to on-the-farm trade.



### MIDWEST FARMS

*Are Highest-Income  
Biggest Spending*

Income nearly double national farm average. 1/3 of America's entire farm income concentrated in 8 Midwest states.



**50% GREATER 1935  
Income Increase**

The greatest income increase by far of any farm region. Makes possible tremendous sales increases for aggressive advertisers.



## MIDWEST FARM PAPER UNIT

Wallace's Farmer and Iowa Homestead  
The Nebraska Farmer

Prairie Farmer  
Wisconsin Agriculturist and Farmer

6 NORTH MICHIGAN AVE., CHICAGO

250 Park Ave.,  
420 Lexington Ave., New York

3-259 General Motors Bldg.  
Detroit

1548 Russ Bldg.  
San Francisco

SALES MANAGEMENT

## Industries Interested

*In This Complete Low-Cost  
Coverage Include—*

### AUTOMOBILES

8 Midwest states own 28% of America's farm total. 1935 sales up 150%.

### TIRES—BATTERIES

Replacement sales greatest to farmers. Note 8 Midwest states automobile ownership.

### TRACTORS—EQUIPMENT

Own 42% of America's tractors. 1935 tractor and implement sales up 160% from low point.

### OIL—GASOLINE

Note car and tractor figures. What a market!

### BUILDING MATERIALS

Lumber sales up 51% over 1934. Paint, hardware, roofing, fencing booming.

### RADIO

Completely covered, mostly old sets. At present income level, America's greatest replacement market.

### STOVES—WASHING MACHINES

For quantity, price and profit—by far the best rural market!

### RUGS—FLOOR COVERINGS

High income—double the national farm average—in these 8 richest farm states—makes them best home furnishings market.

### BRANDED FOODS

Income enough to buy by preference rather than purely price. Larger average families. Outdoor appetites. A volume market for packaged foods.

### COSMETICS—DRUGS

Beauty appeals sell the farm women. And farm living demands a bigger medicine chest.

# Significant Trends

As seen by the Editors of Sales Management for the fortnight ending September 1, 1935:

## "Forgotten Man" Remembered

during September, October and November. In the last two months business has recorded gains, against normal declines; inventories in most industries are near the lowest level recorded since recovery began; prices are strong.

● ● ● A current release from the Department of Commerce shows that the 1934 increase in national income of approximately 15% is spread out over a larger number of people. Farmers in particular enjoy a larger part of the total income than in any year since 1930.

● ● ● A survey made by the Railroad Employees Corporation indicates that this trend has continued into 1935—the financial status of the average man is improving. "For the first time in years the income of the average wage earner is high enough to give him confidence to borrow for the usual purposes found in the small loan field," the report states. "Swelled by increased average borrowings of more optimistic workers, and by a greater number of accepted applicants, our monthly average of loans outstanding has increased almost 100% over corresponding 1934 months, and at the same time the average delinquency has dropped. Small loans, like commercial loans, increase during a recovery period, and decrease when general business begins to slacken."

● ● ● There was more residential building during the first seven months of 1935 than during the entire year of 1934, according to F. W. Dodge Corporation records of contracts. The total for all construction in July exceeded the monthly total for any other month since March, 1934, when the PWA was at its peak. Residential building in July was two and one-half times the volume reported for July, 1934, with the largest relative gains reported in the Middle Atlantic States, the Southeast, Chicago territory, and Kansas City district.

● ● ● The Federal Housing Administration has now secured pledges for \$497,269,321 worth of modernization and repair work and has insured 291,879 modernization and report notes amounting to \$114,169,554.

● ● ● The Government Census Bureau has been studying the "back to the farm" movement. In Indiana, for example, it is growing to such proportions as to disturb the statistical balance between the State's agricultural and industrial population. In the period between January 1, 1930, and April 1, 1935, there was an increase in Indiana farms of 19,265. The total for 1930 was 181,570 and for 1935, 200,835.

● ● ● Most of these new farmers are men who have been employed in urban industries, have been unsuccessful in getting jobs, and have moved their families and their homes where living can be obtained from the soil, regardless of whether industries are in operation.

SEPTEMBER 1, 1935

There is general agreement that a more than seasonal rise can be expected in business activity

● ● ● These new farmers, capable of performing special tasks in industry, will in the future be available as a reserve manpower for industrial plants, but will be so placed as not to be dependent for a livelihood on the operation of any one factory. As a rule they have established themselves on small tracts of land near industrial cities.

● ● ● Seventy-one per cent of farmers answered "Yes" to the question, "Compared with the years 1932 and 1933, do you feel that you are now in materially better shape?" propounded by *Capper's Farmer*. Seventy-five per cent said "Yes, definitely so," when asked, "Barring unforeseen difficulties, do you feel that you personally are definitely climbing out of the depression?"

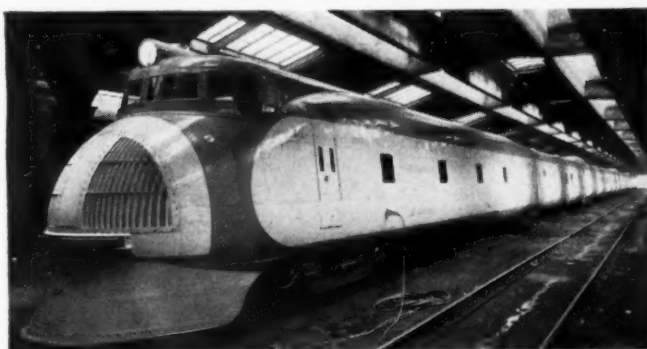
● ● ● The same survey shows that one out of every six farmers is buying a passenger car in 1935; one out of seven, a tractor; one out of three, fencing; one out of three, paint; one out of seven, a radio; one out of six, rugs.

## Summer Sets Many Highs

Cigarette production in July was the largest for any month in history.

● ● ● The electric power index reached a new all-time high for the week ending August 22, when it stood 7.4% above the 1929-1930 average.

● ● ● It's still Summer, but last week steel output rose to within two points of the high for the year, established in February. Steel production rate has been moving upward for two months in a strong, unbroken swing, but according to the magazine *Steel*, production still appears to be lagging behind demand.



Railroads may now buy their streamlined trains on the instalment plan, just as the rest of us use that method for buying our personal transportation. The Reconstruction Finance Corporation has agreed, under its direct-aid-to-industry plan, to lend the Budd Manufacturing Company money to build streamlined trains which the company will lease to railroads. The roads will pay a monthly rental, until the full purchase price of the train is paid. Loans may be made up to 80% of the cost of the train. Similar agreements may be made with other manufacturers, if they approach the R.F.C.

[199]



● ● ● Bank debits are currently running about 20% above last year.

● ● ● July passenger car registrations were 30% ahead of July of last year, and about 7% ahead of June of this year.

● ● ● The editors of *Economics Statistics* say this about the industry, which has been our best "puller-out" from the depression:

"For the first time this year sales of cars and trucks in July exceeded production, and inventories were reduced. Individual company reports indicate that sales have continued to hold up well during August, and the decline is not expected to be so great as is seasonally normal. On the other hand, production has been sharply curtailed. In view of the favorable level of purchasing power, sales can be expected to continue at a favorably high level during the remainder of August and September. Since production will undoubtedly be almost at a stand-still during the early part of September, dealers will be able to liquidate the greater part of their current inventory. Although it is questionable whether or not the current burdensome inventory of used cars will be reduced by any sizable proportion, the supply-demand correction now taking place in new cars and trucks indicates that general business will receive considerable stimulus from this industry in the Fall."

● ● ● According to Dun & Bradstreet, furniture sales are approaching the peak established in 1926. At the Grand Rapids market in July, orders were 84% ahead of those booked during the 1934 event.

● ● ● Brookmire Economic Service has again made an upward revision in its estimate of U. S. income for the next six months, now placing it at 19% ahead of last year, and 40% ahead of the average of the last three years.

● ● ● The industrial and farm sections of the Middlewest are expected by this authority to show the largest increases, but the industrial East is credited with more than average gains over last year.

● ● ● The current study made by the Bureau of Business Conditions of the Alexander Hamilton Institute gives business conditions by cities in terms of comparison of current trade volume with a year ago, and whether the trend is up or down. The following opinions on cities may be of value to your sales force.

● ● ● These cities, according to the A.H.I., are currently well ahead of a year ago in retail trade and the trend is pointing upwards: Manchester, Burlington, Lowell and New Haven in the New England district; Binghamton, Buffalo, Rochester, Syracuse in the Middle Atlantic states; Akron, Camden, Toledo, Youngstown, South Bend in the East North Central district; St. Louis, Fargo and Lincoln in the West North Central states; Asheville, Raleigh, Charleston, Jacksonville and Miami in the South Atlantic states; Louisville, Birmingham, Mobile and Montgomery in the East South Central states; Denver, Portland, Fresno, Long Beach, Los Angeles, Oakland, Sacramento, San Diego and San Francisco in the West.

● ● ● C. U. Williams, president of the Williams Oil-O-Matic Heating Corporation, takes pride in announcing that July sales exceeded the same month of a year ago by 70%, and that June of this year was the best single month since 1927, and comments: "With all of the fancy

theories floating through the air, we take some measure of pride in the fact that every detail of our merchandising program has originated from within our own organization." Just why such ideas are better than those of outsiders is a little difficult to understand, but results indicate that the ideas must be good.

## Depressionless Industries

Colonel Leonard P. Ayres, writing in the business bulletin of the Cleveland Trust Company, says: "During the depression the output of cigarettes, gasoline, rayon and iceless refrigerators has so vigorously increased that it seems appropriate to refer to the industries producing them as being depressionless."

● ● ● We wonder whether any of us today can be any more successful in predicting what industries will ride through the next depression than were the original framers of the Constitution in looking ahead 150 years. Wagons and harness rode unscathed through many depressions of the past.

● ● ● The Colonel makes an interesting point of distinction between consumer goods and durable goods. During the depression, the output of consumer goods held up, but prices declined, while in the case of durable goods, prices held up, but output declined. He states: "If anyone could advise a means to make durable goods follow the pattern of consumers' goods in volume and prices during depressions, he would have found the solution of the depression problem, and he could tell us how future periods of seriously hard times could be avoided. It is the most important problem in the world."

● ● ● If all States had income taxes, sales planners would have more facts to work with. Iowa, for example, has a 2% tax. Based on estimates made from the collections during April, May and June, it is apparent that sales increased 24.8% over the same period of last year. The increase, according to the State Board, is reflected in the large purchasing of farm machinery as well as in retail business of the State.

● ● ● Senator Copeland's Food and Drug Bill, known last session as the Tugwell Bill and passed by the Senate at this session only after many fits and starts, is likely to continue as a bone of contention for future sessions. Another measure giving evidence of being hard to kill is the Patman-Robinson Bill. The Patman Committee, as reported elsewhere in this issue, is expected to continue its hearings in New York, Chicago and on the Pacific Coast. The American Retail Federation—the so-called "Super Lobby"—which the Committee originally set out to investigate, is being left alone because the committee found more interesting data in the files of individual chain store companies, such as the Great Atlantic & Pacific Tea Company and Liggett's.

● ● ● Employment is much nearer the 1923-25 average than payrolls—80.4 vs. 65.3—but payrolls are improving more rapidly. This year's July gain over last in employment was .8%, but the gain in payrolls was 4.8%. Payrolls are nearest normal in the following industries: Petroleum refining, 100.9; chemicals, 94.0; Food products, 95.5; automobiles, 85.8; paper and printing, 81.4; leather products, 77.3; fabrics, 70.1; textiles, 68.5





**Piloted by Radio:** Ray W. Brown, veteran war aviator, National Aeronautic Association official and salesman for General Tire and Rubber, will fly over 10 Eastern cities September 7 with radio impulses operating the controls. Columbia Broadcasting joins with General Tire in sponsoring. Brown will describe to the public via short-wave from the plane how the new safety device works.

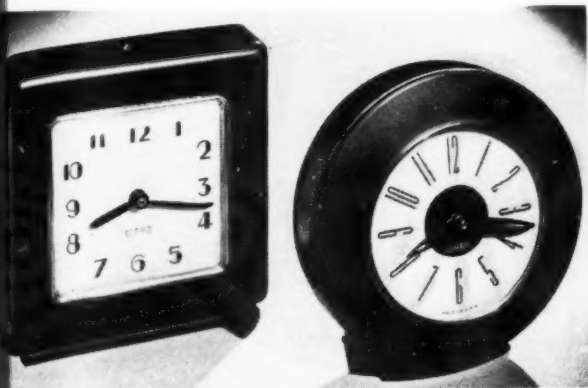


**Runs Right Off:** (Above) And why should water stick to a raincoat made by the Mallard Company, New York ("Mallard—a kind of duck")? These are of Bakelite Resinoid, not rubber; they won't crack. Lightweight, they come in varied colors.

## This Changing Sales World



**Soldier:** (Left) "Stubby" is the name of Owens-Illinois Glass Company's answer to the "tin beer bottle." While Pabst and Kreuger favor tin, O-I is endeavoring to line up other brewers for its use-once-and-discard bottle. See page 211.



**Mail Order:** (Above) No longer is that a term of reproach, as this pair of Montgomery Ward clocks will prove. Modern in looks and finish, they sell for \$1.29 each. Which, insists Ward, is modernity for the masses.



**Cora:** (Left) Her full name is Cora Concora, and she works for the Container Corporation of America. Made of paperboard by Frances Poe, Cora is being used in ads in dairy magazines to hymn the advantages of shipping butter in Concora fibre cases, corrugated and folding cartons.



**Assistants to the President:** James R. Nicholson, above left, for the past five years assistant to Col. Jacob Ruppert, resigns to take over the presidency of Croft Brewing Company, Boston. He entered the brewing business in 1897. At right: Judson S. Sayre, just appointed assistant to the president of RCA. He was formerly manager of Montgomery Ward's electric appliance and refrigerator division; before that g.s.m. of Kelvinator.

# Do Consumer Contests Attract New Customers—and Hold Them?

A SURVEY made in July, 1935, among 1,000 typical adults by trained investigators of the Market Research Corporation of America, under the direction of Percival White and Pauline Arnold, discloses valuable and rather startling information about consumer prize contests, such as:

1. Nearly a third of all contest entries come from men and women who have entered a dozen or more contests;
2. There is at least one contest entrant in every third American home;
3. 50% of the contests entered were learned of through the radio;
4. In a typical contest 45% of the entrants are regular users of the product;
5. The average contest adds new repeat customers from 15% of the entrants;
6. Non-prize winners are as likely to continue to buy the product as the lucky ones;
7. Box tops or some similar proof of purchase are a requisite in three-fourths of all contests;
8. In contests where box tops, etc., are an essential qualification of entrance, slightly more than half of the entries come from current users of the product;
9. Where no box top, etc., is required, only one-quarter of the entrants are current users.
10. More repeat customers are secured in contests demanding box tops than in those where entrants are not required to return a part of the product as a proof of purchase.

The investigation was made in 133 Class A homes; 414 Class B Homes; 389 Class C homes; 64 Class D homes. They were in cities scattered throughout the nation.

Interviews were secured with 530 males and 470 females. By age groups those interviewed fall into the following classifications:

|                     | Female | Male |
|---------------------|--------|------|
| 15 to 29 years..... | 183    | 213  |
| 30 to 49 years..... | 223    | 254  |
| 50 to 79 years..... | 64     | 63   |

Market Research Corporation of America investigators, as their first question, asked, "Have you ever entered a prize contest?" They explained that they were not interested in crossword puzzles, hidden name contests,

One of a series of surveys made by the Market Research Corporation of America by SALES MANAGEMENT, with interpretive comments by Philip Salisbury, Executive Editor.

etc., sponsored by newspapers or magazines to increase their circulation.

Thirty per cent of all males and 37% of all females—an average of 33.2%—said that they had entered contests.

In addition to getting information as to whether or not the adults interviewed were contest entrants, the investigators asked, "Have your children ever entered any contests?"

An analysis of the answers shows no evidence that the children are more likely to enter contests than adults. In reply to the question 31% said their children had entered contests, and 69% "No." There does seem, however, a distinct tendency for the percentage to increase if the adults are contest entrants. Children entered contests in 41% of the homes where adults did also, as against only 25% in those homes where adults had entered no contests.

## Why People Do Not Enter Contests

Those persons who said they had never entered a prize contest were then asked, "We believe that at some time or another almost everybody has thought of entering a contest. Why have you never entered one?" Two major reasons were given—that contests are a waste of time, or that the chances are too small because contests are conducted unfairly.

The 793 reasons for not entering a contest are grouped under the following headings:

|  | No. | %  |
|--|-----|----|
| Waste of time; not interested, etc. ....                     | 386 | 58 |
| Chance too small; unfairness, etc. ....                      | 233 | 35 |
| Lacks necessary qualities to win                             | 59  | 9  |
| Time of entering hard to keep in mind .....                  | 26  | 4  |
| Contests do not require enough intelligence and ability..... | 22  | 3  |

|   |    |    |
|---|----|----|
| Do not wish to be exposed to follow-ups .....       | 11 | 2  |
| Expense of buying article....                       | 11 | 2  |
| No contest in products used..                       | 8  | 1  |
| Too many hitches.....                               | 7  | 1  |
| Objection to article bearing the expense .....      | 4  | 1  |
| Dislikes necessary activities (letters, etc.) ..... | 2  | .. |
| Afraid of publicity.....                            | 1  | .. |
| Answers not acknowledged ..                         | 1  | .. |

People who said they had entered prize contests were next asked, "How many contests have you entered?"

The 332 entrants remembered having entered 977 contests or, roughly, 3 contests per person. Detailed reports were secured on 628 contests, or an average of 1.9 per person.

## Professional Entrants

One of the most sensational facts developed by the survey is that in the average contest it seems apparent that 30% of the entries come from people who might be classed as professionals, in that they have entered 12 or more contests.

Seventeen and one-tenth per cent of the entries are from people entering their first contest; 12.1% of the entries from those who have entered two contests; 12.6% from those entering three, and 28.1% from entrants in contests varying from four to 11 in number. Males seem slightly more tenacious than women in thinking that they can win a prize. Fifty-two per cent of the women had entered only one contest, as against 48% in the case of men.

Investigators asked for the year of the contest. Although only half of 1935 had gone by when calls were made, 42% of the answers mentioned 1935 contests. Other years mentioned were:

|                            |     |
|----------------------------|-----|
| 1934 .....                 | 27% |
| 1933 .....                 | 12% |
| 1932 .....                 | 5%  |
| 1931 .....                 | 4%  |
| 1930 .....                 | 4%  |
| 1929 .....                 | 2%  |
| 1928 and previous years... | 3%  |
| Don't know .....           | 1%  |
| Year not specified .....   | 2%  |

"Where did you first learn of the contest?" was the next question asked. Spaces were given for checking radio, newspapers, magazines, in-a-store, and others. Radio is mentioned as a

SALES MANAGEMENT



source of information for exactly 50% of the contests. Other mentions were newspapers, 21%; magazines, 18%; in-a-store, 12%, and scattering mentions for friend, in package or on wrapper, direct mail, street circulars, churches, automobile shows and boat shows. Twenty-nine mentions were made of combination announcements, with radio-newspapers in the lead, followed by newspapers-magazines.

Some of the most significant information in the survey comes from the answers to these questions:

Were you a regular user of the product before the contest?

Did you continue to buy the same product after the contest?

Are you still a regular user of the product?

Did you have to send in a box top, wrapper or some other part of the product or package to enter the contest?

Did you win a prize of any sort?

Answering the last question first—roughly, one person out of every seven interviewed had won a prize in some contest, but the findings indicate that familiarity with the product does not seem to put the consumer in a better position to win a prize. Fifty-eight per cent of the prizes went to new users. However, this is balanced by the fact that the majority of entrants in a typical contest are new users—55% as against 45% regular users.

## Do Unsuccessful Entrants Continue to Buy?

Sixty per cent of the prize winners continued to buy the product after the contest was over, as against 56% of those who did not win a prize.

An equal percentage—51%—of prize winners and non-prize winners are still using the products of manufacturers whose contests they entered.

To what extent does the average contest add new customers? The answer apparently is that the average contest adds new repeat customers from 15% of the entrants, the other 85% being either previous users or ones who buy the product only once so as to enter the contest. Eleven per cent of those not using the product before the contest continued to buy it and are using it now, while an additional 4% used it for varying periods following the contest but now have discontinued.

In about three consumer contests out of every four the entrant has to send in a box top, wrapper or some other part of the product or package, the ratio being 73% "Yes" and 27% "No."

In contests where box tops are essential, 51% of the entrants are people who are regular users.

In contests where box tops are not essential, only 27% of the entrants are regular users. This would seem to indicate that people think twice about buying a new product if their chief or

only incentive is the possibility of entering the contest.

But a good reason for demanding box tops is indicated by the fact that in contests where they were demanded, 13% of all entrants were so stimulated that they continued to use the product and are using it now, as against only 5% in contests not requiring proof of purchase. An additional 5% used it for some time after making the required purchase for entering, against only 2% of those not buying the product to enter. In other words, 18% of those who had been introduced to the product by the contest continued using after the contest, against only 7% when proof of purchase was not required.

The contest entrants among the 1,000 people were asked to describe as best they could the type of contest they liked best—the kind which interested them enough to make them want to enter.

The reasons are so interesting in themselves that we are reproducing the entire list with no attempt at grouping. In the table that follows we use the contestants' descriptions.

| Type of Contest   | No. | %  |
|---|-----|----|
| Slogan  | 47  | 14 |
| Letter  | 35  | 10 |
| Name  | 32  | 10 |
| Limerick  | 26  | 8  |
| Word  | 25  | 7  |
| Describing the use of product   | 22  | 7  |
| Testimonial   | 19  | 6  |
| Essays, writings, writing skill   | 19  | 6  |
| Mental ability required; study  | 11  | 3  |
| Jingle  | 10  | 3  |
| Big prizes (auto, cash)   | 10  | 3  |
| Rhymes; poetry  | 8   | 2  |
| Strictly fair; a chance to win  | 8   | 2  |
| Simple answers  | 7   | 2  |
| Recipes; cooking samples  | 6   | 2  |
| Pictures (photographs)  | 5   | 1  |
| Guessing (scores)   | 5   | 1  |
| Puzzles (crossword)   | 5   | 1  |
| Writing advertisements  | 4   | 1  |
| Concerning hobbies  | 4   | 1  |
| No wrapper is necessary   | 4   | 1  |
| Drawing   | 4   | 1  |
| Unique presentation or artistic ability do not count                        | 3   | 1  |
| Skill required  | 3   | 1  |
| Many prizes   | 3   | 1  |
| Attractive prizes   | 3   | 1  |
| Writing last line   | 3   | 1  |
| Solving mystery plots   | 2   | 1  |
| Common sense prevails   | 2   | 1  |
| Piece of writing, literary skill without the necessity of sending a box top | 2   | 1  |
| Everyone wins without too big prizes; easy to win, etc.                     | 2   | 1  |
| Humorous writings   | 2   | 1  |
| Winner's name disclosed   | 2   | 1  |
| Penmanship  | 2   | 1  |
| Free samples to contestants   | 2   | 1  |
| 17 types of contest (1 mention each)  | 17  | 5  |
| No preferences; all types   | 25  | 7  |
| None—not interested   | 23  | 7  |
| No comment  | 22  | 7  |
| Doesn't know  | 8   | 2  |

Total number of mentions.. 442 133  
Total number of persons entering contests ..... 332 100

[203]

### ARE YOU INTERESTED IN PRIZE CONTESTS?

Dear Friend:

Do you like to enter prize contests either because it fascinates you as a hobby, or to compete for the cash awards? Do you know that at present there are hundreds of prize contests running, many of which you could enter? Did you know that for the past four years The CONTEST WORLD, a magazine devoted exclusively to prize contests has brought to its readers up to the minute contest news information of all reliable contests, helps, suggestions and many fine articles. Also it has a page known as criticism page of entries that did not win. You should follow up these constructive criticisms why the entry did not win. These will help improve your entries.

We shall be glad to have you become a subscriber to The CONTEST WORLD and if you will mail this card immediately, on or before \_\_\_\_\_ with only \$1.00 attached to it we will accept your subscription at a special trial rate for 6 months. The regular subscription rate is \$2.50 per year. This is a very attractive offer and you will save the difference if you act immediately.

\*IMPORTANT This offer is not good for renewals. This offer is good only to new subscribers.

You can purchase through us books on contests—below some recommended ones.

|   |        |
|---|--------|
| How to Write Winning Contest Statements | \$1.00 |
| Prize Contest From Inside               | 1.00   |
| Contest Gold                            | 1.00   |
| Complete Contest Manual                 | 1.00   |
| Handbook of Prize Winning Entries       | 1.00   |
| How to Win Word Building Contests       | 1.00   |
| How to Prepare Mss. and Contest Entries | 1.00   |
| Puns                                    | 1.00   |
| Slogans                                 | 1.00   |

Gentlemen  
Enclosed find \$ \_\_\_\_\_ please send me the books ordered  
If you want subscription send only \$1.00

Name \_\_\_\_\_

Address \_\_\_\_\_

Dept. 217 The CONTEST WORLD

NEW YORK  
N.Y.  
ASK YOUR POSTMASTER  
TO BUY U.S. SAVINGS  
BONDS

The MRCA-SALES MANAGEMENT survey on this page indicates that in the average contest nearly a third of the entries come from people who might be termed professionals in that they have entered a dozen or more contests. The illustration at left is a sample of current circulation promotion by the publisher of one of the several magazines which devote their editorial contents solely to teaching people how to win contests. One of the magazines in its August issue listed and described 306 current contests. If the army of professional entrants continues to grow manufacturers will have to figure out some way of eliminating them along with their own employees and those of their advertising agencies.

SEPTEMBER 1, 1935



# New Products and New Packages



**For Hobby Riders:** (Above) Glascock Bros. Mfg. Company, Muncie, Indiana, says that cutting and welding sheet metal is a pleasant and profitable hobby with its home workshop. All the tools for making innumerable toys and household furnishings are in the outfit.

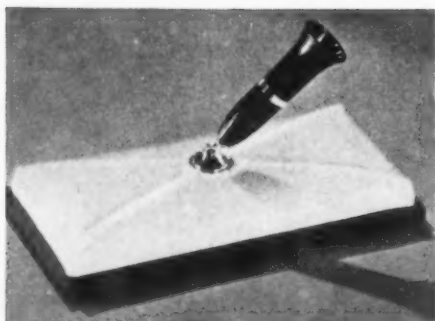


**Rubber Handles:** (Left) Remington Arms Company, Bridgeport, Connecticut, makes the handles of its latest cutlery line exactly like automobile tires: Molded rubber over a cotton fabric foundation. Cutting surfaces and the rivets are of stainless steel, a glittering contrast to the black hand grips. There's no place for rust or germs to collect.

**Brightening Up the Briars:** (At right) To protect its pipes and to provide alluring signals to buyers' eyes, W. C. Demuth Company garbs its well-known "Milano" brand in colorful paperboard packages. The colors are red and blue, with a white band. Lettering is embossed in gold over the blue. Design was evolved and executed by Gair Cartons, Inc.



**Tells All:** (Left) Chatham "Specification" sheets now come in pairs, boxed and wrapped in transparent cellulose. The carton opens up for display on counters and shelves, disclosing all the essential facts about the fabric, its thread-count, strength, weight and size. Unsanitary handling is done away with; two sheets are sold where often only one would be. Gair Cartons is responsible for this package, too.



**Tibbs' Tip:** (Left) Industrial Designer Thomas Tibbs employs brown Bakelite and white china for this pen base. It's one of the 50 new desk sets which he has done for the W. A. Sheaffer Pen Company, Fort Madison, Iowa. Chromium, gold plates and gold flower designs are used on other models. The combination of Bakelite cast resinoids with other contrasting materials ought to produce sales.



**Glides Into View:** J. B. Williams Company has been marketing its "Glider" brushless shaving cream in tubes for the last two years. Obeying the injunction, "Put it in glass and let them see how good it looks," the firm gives Owens-Illinois Glass the job of turning out a jar. With a wide mouth, that makes access easy, sides clear of labels—except for the brand name blown in—and non-tipping, the jar is handsome, convenient. Caseal cap is by Closure Service Company, Toledo, Ohio.



Ice Wagon Men—New Style—Learn to Sell Refrigerators: American Ice Company is training thousands in its five cities, and ice refrigerator sales have increased nearly 100% over 1934. Other companies follow suit in the ice industry's battle to protect its market against electricity and gas.

## Ice Industry's Wagon Men Now Are Boosting Refrigerator Sales

THE homely ice man on his morning route is no longer the "dead dodo" that over-enthusiastic electric and gas refrigerator men used to call him. He is turning out to be a 1935 salesman—a salesman whose prospects' doors stand open to him; who sells ice and refrigerators as a family friend, not a doorbell puncher.

His sales effectiveness is growing rapidly because he has a new story to tell this year. And he is learning how to tell it. His employer, the ice company, is seeing to that.

The ice industry, hurt years ago by heavy loss of ice sales, has largely given over its acid attitude of merely hating mechanical refrigeration. It is doing something constructive about the situation at last. It is awake to the fact that it has a vast ready-made sales force that can help protect its waning business volume—even rebuild it.

As a result, sales of ice refrigerators are rising. Manufacturers, taking various leaves from their competitors' books, have made lines of ice refrigerators that are handsome to the eye, full of gadgets—including warm-water cube cutters—for home comfort, and insulated so efficiently that 100 pounds of ice lasts maybe twice as long as it once did in the old familiar oak box insulated with "Michigan air." The new economy of ice makes strong sales talk.

The combined advertising and selling efforts of local ice companies and a dozen manufacturers of ice refrigerators are reported to have run up sales of such refrigerators to 100,000 last

year—about equal to sales of gas refrigerators. This year's figures are not available; but they may reach 200,000. And one of the reasons is the ice man on the route.

American Ice Company is one of the leaders in converting route men into salesmen. It controls the giant Knickerbocker in New York and principal ice suppliers in Boston, Philadelphia, Washington and Baltimore. It began training wagon men experimentally in 1932, and perfected its technic and extended its training last year so that this year, after putting more than 3,000 route men, other employes and ice dealers through its seven weeks' course, it has nearly doubled sales of refrigerator equipment—sales to August 17 totaling \$395,000 compared with \$221,000 in the same period of 1934.

About 60% of these refrigerator sales were made on leads from route men and employes. Nearly 25% of actual unit sales on these leads were closed by wagon men unaided.

The educational department of each American company invites groups of wagon men and dealers to attend its classes, in units of 20 or 30 men, once a week for seven weeks, mainly early in the Spring and late in the Fall, before and after the rush delivery season. Main emphasis is on men who cover single-house areas, not apartment blocks. Groups of plant and office employes get about the same course at other times.

First these men are sold on their own industry and the commodity it provides. They are told about the

opportunities now opening up before them. The "lost cause" spirit is whipped out of them. Up comes their pride.

They learn how ice provides a constant low temperature of 40 to 50 degrees F. in a good refrigerator; washed, odor-free air; balanced humidity—ice's three biggest selling points. They learn that ice provides "automatic" refrigeration speeded up or slowed down by the varying size of its cooling job from day to day.

Then the course moves into refrigerator construction. They learn the weaknesses of old-time or cheap ice boxes. Old refrigerators are sawed up to show them. Then comes the story of what today's engineers and designers have done to ice refrigerators.

Finally they get some rudiments of selling—how to talk to their ice customers about ice and good ice refrigerators; how to drive home the main arguments; how to make call-backs; how, even, to close a sale.

Week by week these men take oral tests on each previous lesson. At the wind-up they have a written examination covering the whole course. Then they are ready to point out to customers how poor refrigerators waste ice. They can tell the sales story of Coolerator, McKee and Vitalaire home refrigerators—maybe not with trained selling polish, but they can tell it.

In some cases they may be even more effective than one of the company's own staff of refrigerator specialists because they are not salesmen; they're respected friends of the family—if they have practiced the neatness, the courtesy, the ice man efficiency that the company drills into them.

They even help sell commercial units of new types with blowers to increase relative humidity, some of which

(Continued on page 243)



# Liggett Makes Profit of \$218,153 on \$1,177,327 Advertising Allowances

**T**HE Patman-Robinson Bill failed to pass the last Congress, but it is by no means dead. The special Congressional Committee headed by Representative Patman will soon transfer its hearings from Washington to New York and Chicago, and, it is rumored, also to the Pacific Coast.

It is believed that the buying policies of the Walgreen stores will be gone into as searchingly as were the concessions demanded and received by A. & P. Liggett officials have not as yet been put through a searching examination, but W. Watt, executive vice-president of the chain, submitted a letter stating that during the period January 1, 1934, to July 30, 1935, Liggett's received "in form of compensation and allowances for window and counter displays and advertising" the sum of \$1,177,327.79, and that during the same 18-month period the chain expended for advertising the sum of \$959,174.19.

Liggett sales for the year 1934 were \$44,046,694 and its advertising expenditures were not quite 1.5% of sales. The chain collected from manufacturers, as advertising allowances, 1.8% of sales. During the year-and-a-half period under review it collected from makers \$218,153 more than it spent in advertising. No information is available about the disposal of the excess, nor does the Liggett statement make clear its accounting practice on advertising, such as how charges for counter displays are determined.

Summaries of special contracts between Liggett and 104 manufacturers were entered for the records of the Patman committee. In presenting the list we show first the name of the company; next the "discounts shown on invoices as trade discount"; then the cash discount; next "additional compensation and allowances for window and counter displays and advertising." In the government report is shown also the "method" of advertising on each account. These we have coded as follows and the code number appears in brackets:

1. Displays
2. Newspaper advertising
3. Advertising
4. Commissions for salespeople
5. Displays and sales contests
6. Displays and newspaper advertising

[206]

## Tobacco Department

**American Tobacco Co.,\*** minimum 10%, maximum 12%; 2% cash; Herbert Tarryton cigarettes; 5% of purchases for Lucky Strike cigarettes; \$25 per store making window display for 1 week; Cremo cigars, \$25 per store making window display for 1 week. (1)

**Axtel Fisher Tobacco Co.,** 10%, deals net; 2% cash; Head Play cigarettes; 25 cents per thousand purchased. (1)

**Bayuk Cigars, Inc.,** 10%; 2% cash; 5% purchases Bayuk Phillies. (1)

**Brown & Williamson Corporation,** 10%; 2% cash; 5% purchases except Wings cigarettes. (1)

**Christian Peper Tobacco Co.,** 10%; 2% cash; 5% purchases Listerine cigarettes. (1)

**Congress Cigar Co.,** minimum 10%, maximum 12%; 2% cash; 5% purchases La Palina listed over \$75 per thousand; 3% purchases La Palina listed under \$75 per thousand except Minutes. (1)

**Consolidated Cigar Co.,** 12%; 2% cash; 5% purchases Dutch Masters. (1)

**Deisel-Wemmer-Gilbert Corporation,** minimum 10%, maximum 12%; 2% cash; 5% purchases San Felice, De Luxe and Panetelas. (1)

**Diamond Match Co.,** most items net, few 15%; 2% cash; 62½ cents case on some items, \$1.25 case on others. (3)

**S. Frieder & Sons Co.,** net; net cash; 75 cents per thousand on purchases of Reynaldo Bankers. (1)

**Julius Klorfein,** minimum 10%, maximum 14%; 2% cash; 7% purchases Garcia Grande. (1)

**I. Lewis Cigar Manufacturing Co.,** minimum 20% and 12%, maximum 22% and 10%; 2% cash; 5% purchases John Ruskin and Flor de Melba cigars, \$1.50 per thousand purchases of La Providora cigars. (1)

**Liggett & Meyers Tobacco Co.,** 10%; 2% cash; \$3.30 per month. (1)

**P. Lorillard Co., Inc.,** 10%; 2% cash; 5% purchases Old Gold cigarettes; 5% purchases Muriel cigars; 5% purchases Polar cigarettes; 92 cents per dozen Union Leader humidior tin purchases. (1)

**Philip Morris & Co., Ltd.,** 10%; 2% cash; 4% purchases Oxford Blues cigarettes; 3% purchases Ovals, Players and English blend cigarettes; 5% purchases Marlboro and Cambridge cigarettes; 54 cents per thousand purchases of Time cigarettes. (1)

**Penn Tobacco Co.,** minimum 10%, maximum 10% and 5%; 2% cash; 5% purchases Kentucky Winners. (1)

**Bernard Schwartz Cigar Corporation,** minimum net, maximum 12%; 2% cash; 5% purchases R. G. Dun cigars. (1)

**Max Schwartz,** 5% net; 3% purchases La Primadora cigars. (1)

**G. W. Van Slyke & Horton,** 10%; 2% cash; 2% purchases. (1)

**Walt & Bond, Inc.,** minimum 10% cash; maximum 12%, 2% cash; 5% purchases of Blackstone cigars listed over \$75 per thousand; 3% on Blackstone cigars listed under \$75 per thousand. (1)

**Webster Eisenlohr, Inc.,** minimum 10%, maximum 12%; 2% cash; 5% purchases. (1)

## Candy Department

**American Chicle Co.,** net; 2% cash; 20% purchases. (1)

**Beechnut Packing Co.,** net; 2% cash; \$650 per month. (1)

**Chocolate Sales Corporation,** net; 2% cash; \$600 per month. (1)

**Curtiss Candy Co.,** net; 2% cash; 5 boxes free with 50 boxes on purchases of Baby

\*There are suppliers listed on this report who sell items that differ in properties and trade names. The trade and cash discounts on these items differ. In cases of this kind the minimum and maximum discounts are shown in order to obviate the necessity of listing each item separately along with the corresponding discount. The above-mentioned procedure has the approval of Mr. Howard, the Government representative, who visited this office.

Ruth and Butterfinger, made by Chicago depot. (1)

**Lamont, Corliss & Co.,** net; 2% cash; \$666.67 per month. (1)

**Life Savers, Inc.,** 20%; 2% cash; \$6.125 per year. (1)

**Wm. Wrigley, Jr., Co.,** net; 2% cash; \$9,600 per year. (1)

## Medicine and Prescription Department

**Abbott Laboratories,** minimum 15%, maximum 16 2/3% and 5%; 2% cash; 5% purchases all items except those listed in part 5 of price list and those marked. 5% of excess purchases of 6-month period over previous 6-month period. (1)

**Anacin Co.,** 15%; 2% cash; 10% purchases. (1)

**Bisodol Co.,** 15 and 5%; 2% cash; 10% purchases. (1)

**Bauer & Black,** most items net; few 5%; 2% cash; 1 per gross purchases of Blue Jay products. (1)

**Block Drug Co.,** minimum 2%, maximum 20, 10, and 2%; net; 10% purchases Wernett's powder. (1)

**Emerson Drug Co.,** 10 and 5%; 2% cash; 6% purchases. (1)

**H. Clay Glover, Inc.,** minimum 16 2/3%, maximum 20%; 2% cash; one free with each 12 purchased; 2 items, 3 free with 12. (1)

**Health Products Corporation,** minimum 15%, maximum 16 2/3%; 2% cash; 1,900 dozen Feenamint 25 cents size per year. (1)

**Lambert Pharmacal Co.,** net; 1% cash; 9 and 3% of purchases. (5)

**Lehn & Fink,** 15% 10-cent items net; 2% cash; \$900 per month. (6)

**Merek & Co.,** minimum 15%, maximum 15% and 5 and 5%; 1% cash; 5% purchase creolin, saccharine tablets, and zinc stearate; 2 cents per pound on milk, sugar, and sodium phosphate. (1)

**Noxema Chemical Co.,** 16 2/3%; 2% cash; June 20 to Aug. 31, 16 2/3% of purchases; Sept. 1 to May 31, 10% of purchases; June 1 to 19, 16 2/3% of purchases. (1)

**Parke Davis & Co.,** minimum 15%, maximum 40%; 2% cash; various discounts on purchases; approximately \$20,000 per year. (1)

**Petrolagar Laboratories, Inc.,** 15%; 2% cash; 10% purchases. (1)

**Seeck & Kade, Inc.,** 15%; 2% cash; \$1,200 per year. (1)

**Wm. S. Seull Co.,** minimum net, maximum 15%; minimum net, maximum 2% cash; 5% purchases of Bovril, 4% on Bosco Chocolate sirup, \$1 per thousand tea balls, 2% purchases of coffee. (1)

**E. R. Squibb & Sons,** net; 1% cash; \$2,400 per year. (2)

**Tyrell's Hygienic Institute,** 33 1/3 and 10%; 2% cash; 5% of sales. (1)

**H. K. Wampole & Co.,** 15%; 2% cash; 15% of purchases. (1)

**The Wander Co.,** net; 2% cash; 10% purchases. (1)

**R. L. Watkins Co.,** 10%; 8% cash; 10-cent items 5%, 20 gross lots; 2% cash; 10% purchases of Dr. Lyon's Tooth Powder, Mulsified Coconut Oil, Cascarets. (1)

**Paul Westphal, Inc.,** minimum 15%, maximum 25%; 5% cash; Auxiliator, 5% included in trade discounts; color restorer, 3 free with a dozen; renewer, 3 free with a dozen; egg shampoo, 1 1/3 dozen free with 6 dozen. (1)

**Wildroot Co.,** 15%; 2% cash; 10% purchases except 10-cent items payable in merchandise. (1)

**Wyeth Chemical Co.,** 15%; 2% cash; 10% purchases. (1)

**Zonite Sales Corporation,** minimum 10 and 5%, maximum 16 2/3%; minimum 1%, maximum 2% cash; \$3,000 per year. (1)

**Bayer Co.,** 15%; 1% cash; \$32,000 per year. (1)

**A. O. Bliss Medical Co.,** 15 and 5%; 2% cash; 10% purchases Native Herb Tablets. (1)

**Dill Co.,** 15%; 2% cash; 2 dozen Epsotabs free with each gross purchased. (1)

(Continued on page 248)

SALES MANAGEMENT



# The Forgotten Man

BY BRUCE CROWELL

A FRIEND of mine hired a new salesman recently. Before doing so, he checked up on his applicant very carefully—by going to his prospects and customers and asking them what they thought of the man. One mentioned his contagious enthusiasm for his product. Another said the salesman always came with ideas, therefore he was always given an audience and was always listened to attentively.

But the third man said this: "There's one thing about Brown which especially appeals to me—and it's the main reason why I've given him a good bit of business in preference to competition. So often, when I've been sold his product, I've been showered with attentions by the salesman involved *up to the point where I signed an order*. After that, I became the 'forgotten man'. They simply didn't know I existed. While the contract was in force, we continued to receive our goods—and to get the bills for it.

"But never once did those other salesmen come around to see me—to ask if the product were satisfactory—to bring me a suggestion for getting better results with it—to evince any interest whatever in me as a customer. Brown's tactics were

different. After he had sold me, he called just as often. He apparently did a lot of thinking about *my* specific problems, because every time he came, he brought some idea which interested me. More than one of them got before our board of directors for consideration.

"The result is that Brown has continued to get more and more of my business, while his competitors have gotten less and less.

"That, in a nutshell, is why I'd earnestly recommend him to you and suggest that you offer him whatever opportunity exists in your company."

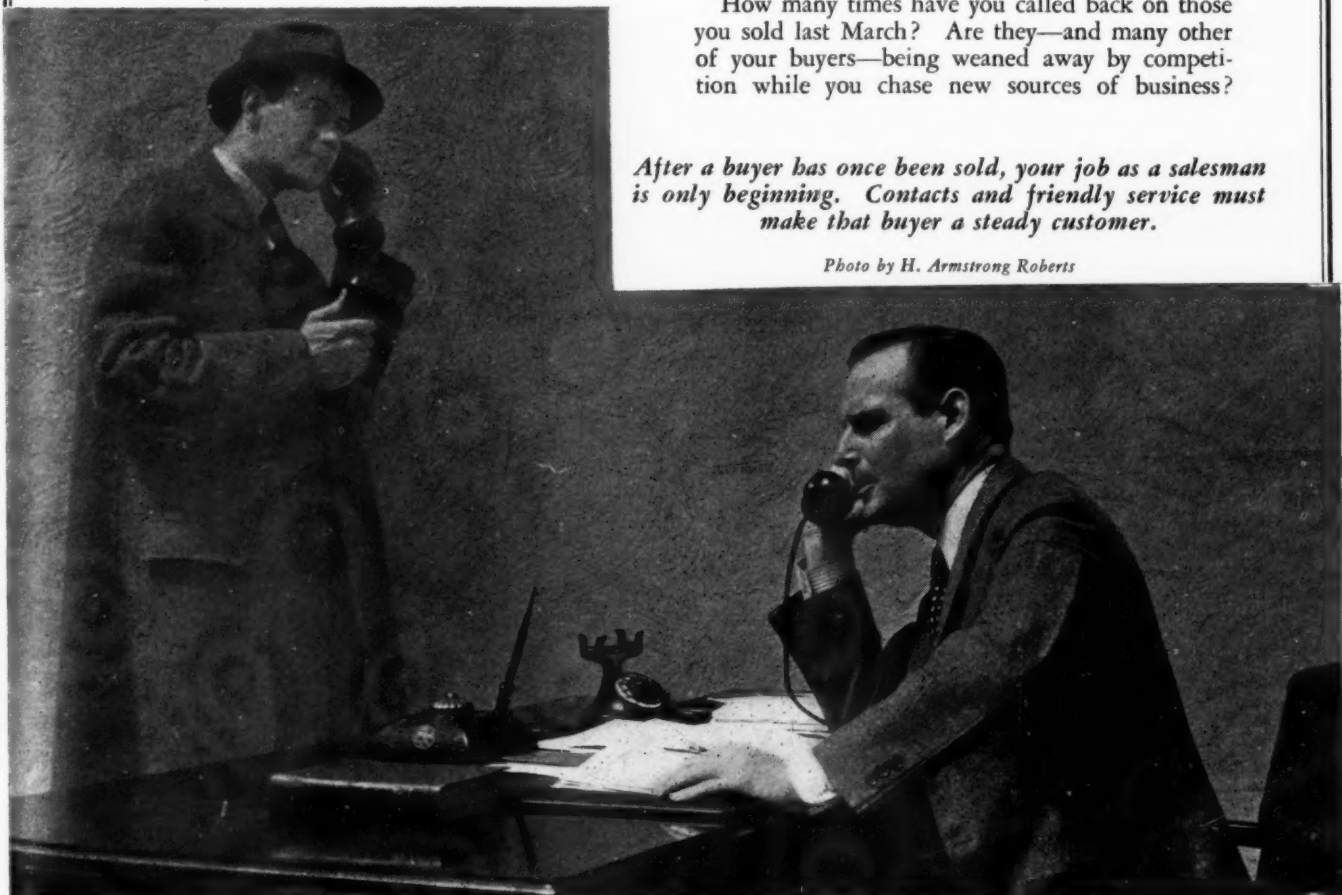
I wish I could etch that thought deeply into the mind of every man who is making a career of selling. Few companies are interested in one-order men. Single-time buyers won't build any business up to greatness, but *customers* who repeat and repeat, will.

The business of making a customer only begins when the man has signed his first order. After that, it's up to the salesman to see that the buyer is satisfied. That the merchandise or the service lives up to what is claimed for it. That no small slips of a bookkeeping department or a service department or a sassy telephone operator anger that buyer and alienate him.

How many times have you called back on those you sold last March? Are they—and many other of your buyers—being weaned away by competition while you chase new sources of business?

*After a buyer has once been sold, your job as a salesman is only beginning. Contacts and friendly service must make that buyer a steady customer.*

Photo by H. Armstrong Roberts





H. W. Buritt, Kelvinator's vice-president in charge of sales, opens the telephone calling which carried the news of the FHA-refrigerator plan to every distributor in the United States. Contentedly looking on is George W. Mason, president and chairman of board.

## Kelvinator Capitalizes Advantages of FHA

BY D. G. BAIRD

**T**HE Federal Housing Administration's home modernization campaign presents an exceptional opportunity to manufacturers of home equipment and labor-saving appliances and the Kelvinator Corporation, Detroit, has capitalized on the advantages of the plan to an exceptional extent.

The FHA plan makes it possible for householders, even those who do not own their homes, to buy such equipment as electrical refrigerators on exceedingly liberal terms. No down payment is required, interest is only 5%, and the purchaser has three years in which to complete the payments.

Kelvinator promptly called these advantages to the attention of its distributors and dealers when the details of the plan were first announced. This was followed in the Spring by a complete plan book which the factory furnished all dealers, including helps such as window and truck signs, a direct-mail campaign, envelope stuffers, newspaper stories, radio continuities, rate cards, a copy of the Government book on the subject, and complete instructions for promoting the campaign. Newspaper mats for advertising the plan were also provided.

During succeeding weeks a steady barrage of promotional matter followed in the form of direct mail, supported by articles in every issue of the

several house organs which the company publishes, all calculated to make distributors, dealers, and salesmen aware of the exceptional opportunity and to keep them working the plan for all it's worth.

The most spectacular feature, though, came late in June. FHA liberalized its plan by eliminating the requirements that purchasers own or lease their home and have an income five times as large as the monthly payments. Then it launched what is probably the biggest direct-mail campaign ever undertaken by anyone: The mailing of a letter to all householders to introduce the plan and to urge them to buy now.

Surely this was the "psychological moment," and Kelvinator seized it. Just after the FHA had completed that gigantic mailing, and while the subject was still fresh in the mind, each Kelvinator distributor in the country received a telegram asking him to call the factory by long distance telephone at a certain time the following day. These calls were so scheduled that a group of ten factory executives could receive them without interruption and could handle the 113 calls in one day.

The purpose of the call, they told the distributors, was to give them details of the new FHA plan, which would mean much to them in increased sales volume. They then outlined the

new and more liberal plan; stressed the magnitude and effect of the Government's direct-mail campaign; pointed out that the new plan put the small dealer in an advantageous position, inasmuch as he would have unlimited resources for financing his sales; gave them some instructions for an aggressive promotional campaign; took their orders for sales helps; told them more detailed instructions would follow; and urged immediate action.

During the evening of the same day, the factory sent a night letter to all distributors, giving them a complete approach for retail salesmen to use in following out the plan and urging them to transmit this at once to all salesmen.

This approach began with the salesman's announcement that he was co-operating with the Better Housing Program. The Federal Government is making a determined effort to assist everyone in owning a better home, and he would like to tell the prospect more about it. If the prospect replied, "I don't own a home," the salesman countered with the assurance that his efforts directly concerned people who were not property owners. He would like to explain just how the prospect could benefit. He then outlined that FHA financing plan, with plenty of emphasis on the no-down-payment, low-interest, and three-years-to-pay features, and led up to the major objective of selling a Kelvinator in the usual way.

### Follow-Ups Fortify Campaign

Other instructions for making the most of the opportunity were forwarded by mail. These included suggestions that distributors have their salesmen call on chairmen of the local FHA boards, offer to cooperate with them in every way, and get lists of prospects from them. Also that they call on contractors who were engaged in home modernization work and get prospects from them, as well as to go out and ring all the doorbells in town.

Following this, and still in progress, is a continuous campaign to keep all concerned mindful of the opportunity and to encourage them by telling of accomplishments of those who are making records. One dealer in a small town had made 30 sales on the plan already. Another reported over 50% of his sales are on the FHA plan. A dealer in one city had sold equipment for cooling a carload of beer, and so on.

New campaigns are being provided each month, including direct mail pieces, window banners, envelope inserts, publicity stories for the local papers, radio continuities, and others.

SALES MANAGEMENT



Meanwhile, the FHA Board itself was rung in on the promotion when the Kelvinator factory sent it a telegram, listing its distributors and urging the Board to have FHA men call on them and urge their cooperation both ways—that is, the FHA men would cooperate with the Kelvinator men, and vice versa.

The FHA, it might be mentioned in passing, has congratulated Kelvinator several times already on the cooperation this manufacturer has been giving to the home modernization program.

While such promotional activities as long-distance phone calls from all parts of the country obviously are expensive, Kelvinator executives are convinced that they were amply justified in this case by the importance of the occasion and the greater effectiveness of the media.

As S. C. Mitchell, director of advertising and sales promotion, pointed out: "If we had sent the distributors a letter, it might have received scant attention; if we had sent them a telegram, it would have been about as expensive and it wouldn't have been nearly so effective, because the distributors are accustomed to receiving telegrams. But when we wired them to call the factory by phone the following day, we made sure that they would get the message direct, at a certain time, and the unusualness of this method of transmitting the suggestions made them impressive.

## Calls Not Expensive in End

"The distributor's logical reaction when he received the telegram was: 'I wonder what it's all about—must be something mighty important or they wouldn't ask me to call 'em up collect.' And he won't forget that long-distance call for a long time.

"As to the expense involved, that is considerable, of course, but a very few additional sales would repay all this cost—and we have secured many additional sales as a direct result of the promotion activities. Some of our dealers have increased their sales more than 100% under the FHA plan and practically all who are cooperating have shown substantial increases.

"Unfortunately, some dealers, particularly in the smaller towns, have been unable to take advantage of the plan because their local banks have failed to cooperate. All in all, though, it has been a tremendous help and we are continuing to use it to the utmost."

The FHA plan is also being applied in selling commercial refrigeration, air-conditioning equipment and oil burners, all of which Kelvinator now produces.

# The Scratch-Pad

Wouldn't you be surprised to thumb through the dictionary and find yourself in the bathtub? We were: baTHTub.

Add similes: No more chance than a contestant who sent in a "reasonable facsimile" instead of an actual label, box top, or whatever.

Many advertisers and their agencies paw the air, tear their hair, and work themselves into a frightful state-of-mind trying to find a theme song, when often all the product needs is *good advertising*, and lots of it. What, for instance, is Fortnum and Mason's theme song? Kellogg's? The Ford Motor Company's? Sunkist's? H. J. Heinz's? (The "57 Varieties" is hardly a theme song today. More of a pleasant heirloom.)



T. Harry Thompson

One of the greatest fallacies in advertising is the deliberate abandonment of a successful sales story just because it is "next year" or because the salesmen need "something different" as a shot in the arm. When you have found a formula that sells goods, in good years and bad, stick with it the way a bum sticks to the Relief rolls.

If you have not already read it, dig up a copy of the August 10 *Satevepost* and read "Selling Selfridge," written by the founder who brought the American department store idea and American advertising to stolid old London. And add the name of Selfridge to a long list of hardy American pioneers who knew where they wanted to go—and went.

September opens the fresh oyster season, and we understand the growers and dealers are going to tell us plenty about this delicacy of the deep.

Contrary to the old adage, familiarity with the *right* products breed content.

Goodyear's "famous sleuth" is obviously a G-3 man.

Last month, *Vanity Fair* got into Japan's official hair with an innocent enough caricature of the Emperor totting what looked to us like a gun caisson, but which Tokyo interpreted as a jinrikisha. Secretary Hull did some apologizing. But wait till the Japs see the newspapers which put quotes around the word "divine" in "divine Emperor." That may be *really* upsetting, if the idea registers at all.

When nations develop a genuine sense of humor, war will be laughed out of court. An old story comes to mind of an Englishman losing his temper with an American. He blew the lid with: "If you Americans don't learn some manners, we'll have to go over there and teach you some." The American said, quietly, "What, *again?*" and the whole matter was laughed off.

Page Doctor Freud. We've been dreaming headlines, *faut de mieux*. Recently, before the alarm went off, we were building a headline for a Caterpillar Tractor ad. The tractor was doing some road building at an intersection, and the headline was: "Derrick work at the crossroads." Maybe Bill Upson can use that in one of his Earthworm Tractor yarns in the *Satevepost*.

Recently we stopped at an Esso filling station with a friend. We were a little embarrassed when the attendant, as per instructions, bowed us out with "Happy Motor-ing!" We felt like saying "Happy Hooligan," just to relieve the situation.

Crime Does Not Pay, as any G-Man will tell you. But Eno's Fruit Salts have put nearly 500 "Crime Clues" on the air, and made crime pay, as entertainment.

Slogan for a nationally advertised bed: "It's the bunk!"

From our train window we saw what was to us a depressing sight. A whole fleet of Pennsy locomotives on sidings at Cambria, Pennsylvania, just in front of the Bethlehem Steel plant. Faithful old Moguls, rusting and waiting for prosperity to turn that corner. They looked somehow tired and complaining, like Babe Ruth languishing on the bench.

As this paragraph is being written, the teletype brings the news of the fatal crack-up of Wiley Post and Will Rogers in Alaska. We pause to pay solemn tribute to two men who have done much for aviation. Will Rogers, in addition, was the philosopher of the plain people. His harmless badinage will be missed by many, in both low and high places.

Ethiopia's call is obviously to the "colors."

That train ride we mentioned above also revealed a dismal number of frame houses between Pittsburgh and Philadelphia which were crying for paint. It seemed to us, as the long train snake-danced through the Alleghenies, that a group of paint salesmen could start out from both cities, working toward each other, and clean up—both literally and in the colloquial sense.

The office nitwit thinks the Corn Exchange Bank is run by a chiropodist.

T. Harry Thompson



# Marketing Flashes

[ New Products—New Companies—New Jobs—Sales ]  
[ Strategy—Promotion Ideas—Conventions ]

## Following Up the Call

Fruehauf Trailer Company salesmen do their own advertising with a series of follow-up postcards. The cards, supplied by the Detroit factory and bearing the name, address and telephone number of the branch or distributor, are signed by the salesmen on a blank line provided for that purpose.

They are not intended for a general direct mail campaign, the sole aim being to tie in with and support personal calls after the prospect has been first interviewed. Having secured a prospect, the sales representative mails him a card each day, each week or at such regular intervals as seem best. The cards are in two colors and are illustrated. There are 12 in the series.

"It is the simplest, surest and most effective means we have discovered to insure prompt and systematic follow-up of prospects," declares L. C. Allman, Fruehauf's promotion manager.

Another simple, inexpensive sales help utilized by Fruehauf men is a gummed label. In size it is an inch by an inch and a half. On it is printed the salesman's name, his business phone (and possibly his home phone) and the fact that he represents Fruehauf. Printing is in blue, set off by a red border.

These stickers are affixed to letters, literature, personal checks and nearly everything else the salesmen write. They are also stuck onto prospects' desk pads, telephone directories, telephones, truck windshields and other places where they will act as a frequent reminder. Salesmen carry the stickers in metal pocket containers, and are thus always prepared to leave a reminder.

## John Bull's Housing

John Bull will be an excellent prospect for the innumerable items employed in building 2,500,000 houses. That number are to be put up in England during the next five years, supplementing the 1,000,000 built during the past five. Yet American exporters cannot expect to benefit greatly from Britain's housing program. "Buy British," or at least "Made in Britain," will be the rule.

In spite of this live-at-home policy, some Yankee firms, which have established plants inside tariff, exchange and national prejudicial barriers, will

profit. R. A. Weaver, president of Ferro Enamel Corporation, Cleveland, reports that the capacity of his company's new enamel factory at Wolverhampton, England, was sold out before operations had begun.

The governmental slum-clearance and better housing project will use vast quantities of porcelain enamel in ranges, electric refrigerators, bath tubs and plumbing supplies. Most of this equipment will be as novel to former residents of London alleys as to men from Mars. Even to more fortunate subjects of King George, electric refrigerators are far less familiar than the iceless "larder," on the shady side of the house.

American manufacturers, within the sacred circle of the Empire, will shortly make the ice-cube as well known as the kipper and the buttered scone.

American subsidiaries are being increasingly located in foreign countries, where sales, service, and manufacturing are in close touch with local needs. While this may be good for dividends, it means a heavy cut into American exports. For good or bad, nonetheless, that's the way the tides of commerce are running.

## These Men Are News

W. H. Mathee, former sales manager of Johnson & Johnson's "Tek" toothbrush division, resigns to join Harold F. Ritchie Company. He will act as director in charge of the Ritchie drug division.

James R. Fitzpatrick is appointed director of sales of the technical division of Algoma Plywood and Veneer Company. Headquarters are in Chicago. He was, for 12 years, vice-president in charge of sales of the Haske-lite Manufacturing Corporation.

The technical division which Mr. Fitzpatrick heads will function as an entirely separate, although closely affiliated, organization. Its purpose will be to open new fields for the use of plywood in large panels and in combinations with such other materials as stainless steel and copper sheets.

R. B. Caywood is elected vice-president of the H. D. Lee Mercantile Company, Kansas City, Missouri. He succeeds F. W. Irvin, resigned. Mr. Caywood will have charge of general merchandising policies.

## Good for What Ails You

Saunders Norvell, who needs no introduction to SM readers, is getting farther and farther away from his self-imposed "demi-semi retirement." The former chairman of the board of McKesson & Robbins and president of Remington Arms, is a member of the firm of Ingersoll & Norvell, which will handle marketing and advertising of Hostetter bitters. That once famous tonic is now made by Hostetter Corporation, Mr. Norvell, president.



## Silk's Promotion Piece

Central pictorial theme of this year's Silk Parade—a nation-wide promotion of pure silks sponsored by the International Silk Guild and carried on mainly by silk manufacturers and department stores—is a colorful poster. In a wide range of colors the poster suggests the Oriental, classic and Renaissance influences behind modern silks. The poster will be distributed to stores and manufacturers everywhere just before the week of the Silk Parade, opening September 23.

## Premium Users Meet

The Premium Advertising Association of America, Inc., will hold its semi-annual meeting in conjunction with the Atlantic Coast Premium Exposition. Time: September 23-27. Place: Hotel Pennsylvania, New York. The speakers at the Round Table Session include: Oliver Cabana, Jr., president, Liquid Veneer Corporation, Buffalo; Mrs. Prudence Allured, publisher, *Manufacturing Confectioner*, Chicago; Charles E. Lewis, editor, *Showman's Trade Review*; A. E. Tatham, advertising manager, Bauer & Black; Howard S. Cook, advertising manager, John T. Stanley Company.

SALES MANAGEMENT

# Rising Tide of Cans for Beer Prods Bottle Makers to Action

THE beer battle between glass bottles and tin cans grows hotter. Where only one brewer used tin cans last January, four use them today and more are reported ready. Where only one manufacturer could deliver cans at the beginning of this year, two are busily in the business today and a third is entering it. And as the tide of cans rises, the glass bottle industry, acting mainly through Glass Container Association, tries to stem it with technical studies for brewers and with newspaper advertising for consumers.

The general result, up to now, is that both bottles and cans win. Monthly studies show that the proportion of American beer that goes into bottles is rising slowly. It was about 25% during the year 1934 when 41,000,000 barrels of beer were brewed. At the moment it is nearer 28%, and the industry estimates total production for 1935 will reach 55,000,000 barrels.

## 100,000,000 Cans of Beer!

The volume of canned beer, starting from nothing last January, is rising steeply. An executive of a can company tells SM he believes the present industry curve will reach 100,000,000 cans by the end of the year and, of course, he expects it to run rapidly upward after that. But 100,000,000 cans equals only about 200,000 barrels, so the tin can has a vast beer market at which to shoot.

Up to now beer is still an infant market for can makers. Their total production in this country runs close to ten billion cans for all purposes. So one hundred million for beer is trifling. But the beer potential may be four billion! Who knows?

As the can-bottle contest advances into its ninth month, it grows steadily more interesting. Where canned beer enters one city market after another, glass advertising follows it for combat. How well balanced the fighting forces will be, only time can tell. Four brewers are doing all the can promotion today—with more in the offing—backed by big manufacturers of cans. There are 22 beer bottle makers to defend glass. Today their war chest, in the hands of Glass Container Association, is small. No doubt it will become larger.

American Can Company started the beer industry revolution by selling its "keglined" can—developed in seven

years' research—first to G. Krueger Brewing Company of Newark, N. J. The initial test market was Richmond. From there Krueger beer in cans spread to Virginia and South Carolina. Then Krueger began to storm its home territory throughout New Jersey. And now it is entering New England. New York City follows.

Pabst of Milwaukee, with national distribution, was next with American "keglined" cans. Through the Summer it has campaigned in Rockford, Cedar Rapids, Des Moines, Omaha, Atlanta, Memphis and Chicago. This month for the first time it overlaps Krueger by going into action in New England and New Jersey.

National Can Company, second to sell beer cans, is supplying Northampton Brewing Company, Northampton, Pennsylvania and Red Top Brewing Company of Cincinnati.

Continental Can Company, busy for months evolving a can that would be as well lined as the others but with the added feature of a crown top to make opening and pouring easier, is feeling its way into the field too.

Can companies are rapidly expanding output facilities to meet the rising demand from brewers.

Brewers report that almost everywhere cans have won their way. By eliminating the ramified return-bottle problem, by occupying less space, by making attractive counter displays, canned beer pleases both grocer and tavern keeper. Distribution thus far

has been divided about equally between bars and stores.

From the standpoint of profit, bottles and cans are about the same for the dealer. In New Jersey he pays \$2 a case for canned beer and sells it for \$2.40—ten cents a can straight. A case of bottled beer costs him \$1.60 and sells at three-for-a-quarter, bringing him \$2. Thus the profit either way is 40 cents a case but he must make a 75-cent deposit on the bottled beer, and run a certain risk of not getting quite all of it back.

In every new market canned beer has been advertised as "flavor-protected against light; no deposits, no bottles to save, return or break; cools faster; takes less space in your refrigerator." And arguments rage among drinkers on that most essential of marketing points: Does canned beer taste as good?

In the same cities the Glass Container Association buys newspaper space once or twice a week to remind people that beer in bottles "stays cold longer; lets you see what you are getting; is clean; flavorful; a gentleman's drink"; but does not directly attack cans with destructive copy.

To the brewer the bottle company points out that cans cost about twice as much as bottles—assuming a bottle will average at least 25 round trips—and that equipment for filling and sealing cans costs \$40,000 or more per unit. (Owens-Illinois Glass Company offers the industry "Stubby," a short bottle that can be filled with existing equipment at small change-over cost. See photo on page 201.)

But the can maker points to freedom from bottle returns and lets the brewer listen to the demand for canned beer that rises from dealers.

**BEER IN BOTTLES**

*Stays colder longer*

There is the drink for leisurely hours, for the friendly chat with family or friends. While you drink, our glass, the test in the bottle, stays colder longer than in any other type of container. That's why everyone drinks "Let's have a good cold BEER of beer!"

Close to the heart of the leisurely drinker, close to the heart of good beer, is our new bottle. It adds to the real of refreshment. The fingers across the cold, smooth surface that quenches refreshment. You can have the bottle before you can get a can. You know, too, that a smooth glass surface leads itself to perfect ventilation. The use of the beer bottle also protects you, by keeping the goodness free from dust and other contamination. Buy your beer in BOTTLES for complete enjoyment.

**Wholesome BEER**

Bottled Beer Distributors Of Cedar Rapids

**Tap It! Drink It! Discard TapaCan!**

**Delicious Pabst**  
in the new handy **KEGLINED TapaCan**

**Pabst Export BEER**

**NO DEPOSITS! NO Saving of Bottles! NO RETURNS!**

**Pabst Export Beer**  
Brewery Goodness Sealed Right In

Illustrated by MARGIE D. HARRIS, 347 E. 11th St., Omaha, Neb. AT 524

Cans and Bottles Clash: Glass Container Association buys newspaper space once or twice a week in every market that Pabst cracks with its canned beer. Thus, as the wave of tin cans crosses the country, consumers get both sides of the container story.





Sales Manager Ballew . . . found simplicity most potent.

Based on an interview by Ann Bradshaw with

W. V. BALLEW

Sales Manager, Dr. Pepper Company,  
Dallas, Texas

After traveling 15,000 miles through his company's territory, Mr. Ballew evolved a sales plan that is surprisingly uncomplicated—and just as surprisingly effective: All volume records broken. Its points may be checked off on the fingers of one hand.

## Dr. Pepper 5-Finger Plan Is Simple But It Hits New Sales Highs

**C**ARBONATED beverage sales for the Dr. Pepper Company, Dallas, Texas, have boomed the past eight months with a 50% increase collectively for route salesmen and a 200% increase in individual cases—all in spite of the new beer competition. Why?

The new *Five-Finger Tested Selling Plan* has been in effect.

Sales Manager W. V. ("Smoke") Ballew had been, for several years, devoting time and study to bottle sales in an effort to determine major sales influences. Last year he took a representative from Tracy-Locke-Dawson, the company's advertising agency, for a jaunt around the country to check up on the matter.

Mr. Ballew told his young advertising assistant that he suspected the following sales influences of being true, but that he wished to prove them before he evolved the Five-Finger Tested Selling Plan:

- 1—Cooler locations influence sales.
- 2—Plenty of ice influences sales.
- 3—Dealer friendship influences sales.
- 4—Dealers drinking carbonated beverages influence sales.
- 5—Dealers who understand the profit possibilities in carbonated beverages push sales.

"No doubt all bottlers were and are of the same opinion, but not to my knowledge had anyone attempted to establish the exact relationship between actual sales and these five influences," Mr. Ballew says. "The purpose of this intensive field study was to put the measuring stick on these influences in order to study the results. Our plan was to measure carefully the average weekly sales, and if these influences were sufficiently pronounced, to develop a sound selling plan on the basis

of the findings."

The proof-seekers journeyed 15,000 miles through 17 states in their quest. Throughout this territory they interviewed bottle bar dealers of all classifications. They brought to light some startling proofs. For instance, dealers who use plenty of ice sell two and a half times as many carbonated beverages a week as other dealers who skimp on ice. In cases where route salesmen are jolly and friendly with dealers, they sell exactly twice as many drinks. A dealer who drinks carbonated beverages himself sells *three times* as many bottles as the fellow who doesn't.

Mr. Ballew found that of the 1,080 dealer prospects the overwhelming majority had no concept of the profit possibilities in selling carbonated beverages. Those few who did have a clear picture of their potential profits sold two and a half times as many bottles as their less well-informed members of the dealer fraternity.

"We realized immediately that in our new selling plan the strongest element would need to be emphasis on showing dealers the profit possibilities," Mr. Ballew said. "That had been, surprisingly enough, our weakest point. As a whole, in studying and analyzing the mass of data we secured, it was evident that there was a very definite relationship between the five sales influences and greater carbonated beverage sales. This study definitely proved our previous suspicions, and enabled us to prepare for the first time, in so far as we know, a guaranteed tested selling plan for route salesmen. The plan, although elementary, is fundamentally sound and will positively show sales increases. It is undoubtedly the major factor in our sales increase during the eight months we have had it in effect."

The Five-Finger Tested Selling Plan is so simple and so primary in its make-up that some bottlers and route salesmen at first discounted its importance; but the volume of letters of gratitude, for the introduction of the plan, in the Dr. Pepper offices is proof that both dealers and route salesmen have found it vital to sales, even revolutionary. The plan is revolutionary because it takes route salesmen out of their rut.

Although elementary in its general principles, the plan cannot be worked efficiently unless route salesmen are properly trained. Consequently, after Mr. Ballew had assembled his data on sales influences, he announced a school for route salesmen. For six weeks, 1,200 people in 22 key cities gathered to hear the Ballew data dramatized and the Five-Finger Tested Selling Plan introduced. They were shown the little black and white card, neatly framed in bright red, which was to be placed in their cabs for continual reference. On the card were five fingers, each with a reminder based on the five sales influences.

"Check yourself," the card said. "Did you suggest that that dealer move his box to a cooler place? Did you explain the importance of plenty of ice? What did you do to cement your friendship with him? Is he still drinking Dr. Pepper?" As the driver looked at the last question, "Did you remind him how much it pays?" there flashed into his mind the Ballew-uneearthed fact that the dealer who understands his profit sells two and a half times more drinks.

These cards were placed in the cabs for permanent reference. Route salesmen were required to report on their attention to them at each regular meeting.



"One distributor improved on our plan to the extent of placing the cards on shelves in the cabs along with an alarm clock," said Mr. Ballew. "No matter how deeply rutted a salesman might be his attention could not fail to be gained by an alarm clock!"

Typical of the salesmen's appreciation of the plan that consistently reminds them of the five things they must do on dealer calls, is that of Joe Akiens. Joe is one of Dr. Pepper's star salesmen in the Corpus Christi territory. He has increased his Dr. Pepper sales 150% since the little card came to roost in his truck cab. At a meeting in San Antonio recently, he told Mr. Ballew, "Say, I'd rather give up my spare tire than that card!"

The Dr. Pepper salesmen who could not comprehend the difference between the average sale of Dr. Pepper in a dealer's undesirable location and the average sale when moved to a cooler location, now look at the little cab card and have sudden flashes of inspiration. All of which has resulted in the company's breaking all records on sales the past eight months.

## Wired Radio Starts Quietly in Cleveland; May Expand Later

Harris D. H. Connick, vice-president and general manager of Wired Radio, Inc., tells SALES MANAGEMENT that his company, which has been heavily publicized lately, is delivering program service only in Cleveland to a few hundred subscribers and that promotion will be confined there to direct mail for the time being. Wired Radio has not yet made hook-ups with the electric light and power companies of any other city, although it is backed by the North American Company, which controls power service not only in Cleveland, but also in Milwaukee, St. Louis, Washington and elsewhere. A number of companies are considering it.

Wired Radio, after more than 10 years of experiments in distributing phonograph programs—containing no advertising—super-imposed on electric service lines, is said to have ironed out most of its patent and technical difficulties and is now ready to meet its commercial problems. By arrangement with a power company, it can keep programs of three or four classifications continuously on the wires, available at any lighting outlet. Subscribers can pick up the programs only with special sets leased by Wired Radio at monthly rentals ranging from \$2 to \$5.

# Advertising Campaigns

[ Old and New Products as Promoted in Newspapers, Magazines, Radio, Outdoor, Displays, Direct Mail ]

## Pennzoil's New Brother

Pennzoil Company's motor oil is known to millions of ad readers throughout the country—thanks to Ruthrauff & Ryan's horn-tooting the year 'round. Now comes a team mate, "New Pennzip gas that makes all cars run smoother. A perfect partner of new Pennzoil motor oil." Since distribution is not yet extensive, advertising of Pennzoil's Pennzip is currently restricted to newspapers within 100 miles of Oil City, Pennsylvania, the firm's home grounds.

## A Forceful Team

Direct mail tie-up with magazine advertising has, in two years, brought 2,300 policy sales paying yearly premiums of \$300,000, says D. Bobb Slattery, assistant to the agency vice-president of Penn Mutual Life. Business not directly traceable is double that. As each ad is scheduled, Penn Mutual offers to send a letter tied in with it to a list of 25 prospects supplied by each of its agents. The agent follows up the letter by a personal call. About 175,000 letters have gone out.

## Colgate No-Brush

Colgate's brushless shave cream makes its bow under the guardianship of an older brother. A free sample of the shave cream is offered for an empty carton from a giant size Colgate dental cream tube. Newspapers exclusively carry the story of the big and little brother offer.

## The Du Ponts Approve

Shelton Looms, Sidney Blumenthal & Company, Inc., New York, issues an unusual booklet for a new fabric, "Crystelle." Photographs of lithesome clothes models appear in b. & w. Over each picture is a sheet of colored cellophane. The effect of an additional color (at less cost) plus the sparkle of crackling cellophane is achieved by this use of the versatile du Pont product.

## Flowing Honey

Lehn & Fink launches an "improved, non-sticky" Hinds Honey and Almond cream with a mighty heave. A CBS hookup of 50 stations immediately following the Sunday night Eddie Cantor-Pebeco program will start for Hinds October 6. Then, October 13, pages and half pages in color


appear in the *Comic Weekly* and in a slew of newspapers blanketing the country. About 20 local radio stations will also tell women about soothing their skins in a series of daytime broadcasts.

## Heat in Reverse

Spry is a new kind of rubbing alcohol in cream form. "Can't spill—70% absolute alcohol." When the pinkish cream is smoothed onto the skin it vanishes into thin air, leaving only the faint aroma and tingle of regular, liquid alcohol. Spry, Inc., an affiliate of Sterno Laboratories, is the maker. J. Walter Thompson, agency in charge, reports newspaper advertising in Hartford, Connecticut, Lewiston, Portland and Bangor, Maine, Washington, D. C., and New York. A "double-your-money-back" offer is introducing it.

The world's first  
Tobacco advertisement

(PUBLISHED IN NEW YORK CITY, MAY 27, 1789)



Tobacco & Snuff of the best quality & flavor,  
At the Manufactory, No. 4, Chatham Street, near the Goal  
By Peter and George Lorillard,

Where may be had as follows:

|  |   |
|--|---|
| <p>Cut tobacco,<br/>Common leaf do.<br/>Common smoking do.<br/>Segars do.<br/>Ladies twist do.<br/>Figs do. in small rolls,<br/>Pine do.<br/>Hogtail do.</p> | <p>Pig or carrot do.<br/>Maccaba leaf,<br/>Rappere do.<br/>Strawburgh do.<br/>Common rappee do.<br/>Sweetened rappee do. of different kinds,<br/>Scotch do.</p> |
|--|---|

The above Tobacco and Snuff will be sold reasonable,  
and warranted as good as any on the continent. If not  
found to prove good, any part of it may be returned, if  
not damaged.  
N. B. Proper allowance will be made to those that  
purchase a quantity.

True in 1789... true today

## The Library's Secret

It is possible that there may be an older tobacco ad than this one which Peter and George Lorillard ran in the New York *Daily Advertiser* in 1789. However, Lennen & Mitchell, agents for the present P. Lorillard Company, doubt it. L & M researchers burrowed through the files of the New York Public Library, treasure-house of information, for days before they stated without a quibble, "The world's first (display) tobacco advertisement."

Depression a Lucky Break for Pacific Northwest—  
Linking of Dynamo and Plow Brings Startling  
Developments—Washington Farmers Only 10%  
Down from Normal—Farming a Business, not Mere  
Subsistence

## Sales Signposts on the Transcontinental Trail

BY WALTER E. MAIR

Field Editor

This is the fifth of a series of reports by our field editor who is making an 11,000-mile transcontinental trip. In the September 15th issue: The Grand Coulee Dam and Its Significance.

Spokane, August 14.

**T**HE Depression has been a lucky thing for Spokane and for Washington. California had always gotten the cream of the tourist crop. The Northwest remained beautiful, rugged, and rather rightfully under suspicion of the more conservative of the Eastern mighty.

Spokane and the Inland Empire now are seeing millions at work in power and agricultural development for which their people long had pleaded almost in vain. Except where gold or other such wealth lured, there was a wall of prejudice between Eastern capital and the Western "wilderness."

Vachel Lindsay, wandering minstrel of the West, once told me that if I tossed a penny, no matter how I called it, and left Spokane for such direction as the flip of that coin dictated, I could not fail to better myself. His prophecy has remained unfulfilled for years; his oracular condemnation of Spokane was indeed wrong.

Another prophecy, made not so long ago by Roger Babson, seems more likely to come true—that here in the Spokane area was destined to be developed the real heart of western civilization. This is an arena of a titanic new struggle between a giant materialism which will mount on electrically driven wings towards heights we can but guess at, and (perhaps, who knows?) a new socio-economic ethical ideal in which the right of Americans to live long and well and freely shall be paramount.

They are still trying to liquidate

half a dozen Depression-smashed banks in this place, but they are finding time to erect with amazing speed the foundations of a new prosperity which may, Allah permitting, produce the ultimate in American living.

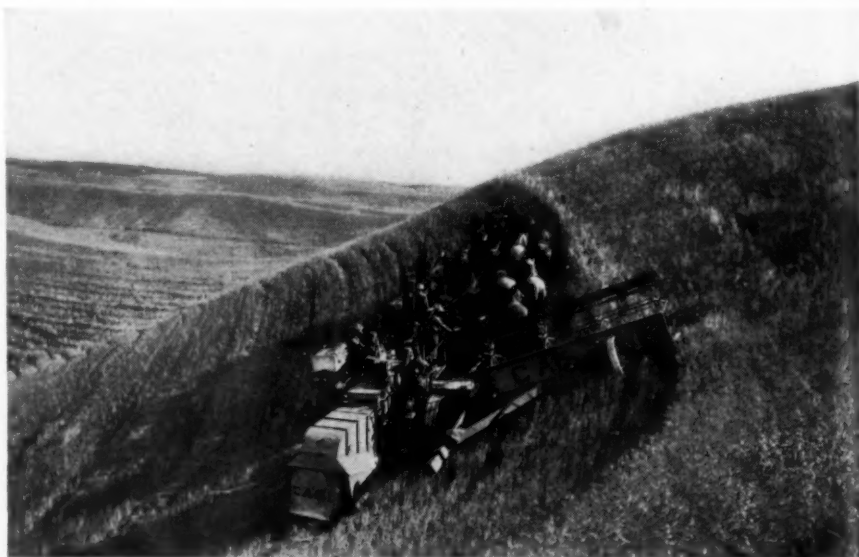
Today there are Washington state politicians who are playing both ends against the middle and bankers who are sharking loans right and left, while Eastern bread lines remain close to stationary in number, and wheat production is reduced to boost the cost of the loaf they clamor for. But Spokane is emerging on an upward economic gradient that carries on its sunset-silhouetted slope a growing

caravan of men and women seeking larger things than food and shelter.

If we turn now to mere statistics, it is only by way of emphasizing that the day of wolf-pack ethics in the West is swiftly passing. If the national government prosecutes the task it has undertaken with even passable honesty, and the forces of recovery already unleashed are not sapped by the sinister machinations of those whose creed is "devil take the hindmost," there should be music in the jangle of cash registers hereabouts, a music played to deeper undertones than may be heard along the barter-belts of the disillusioned East. Business first for America, of course. After that, perhaps, a design for living.

Joe Rupley's No. 1 banner line for the Spokane *Chronicle* "FOX THE-ATRE NOW ASSURED," or words to that effect, went back into the "hell box" when they actually built the theatre some time ago. A comparatively broken man, Joe got a job as administrative assistant to the Farm Credit Administration of Spokane, which serves the 12th district, comprising Montana, Idaho, Washington, Oregon. Two years ago, at Washington, he wouldn't credit the statement that the Grand Coulee dam project was assured. Before long he may believe it, when he sees in SALES MANAGEMENT an attempt to summarize the significance of the power set-up of the Pacific Northwest.

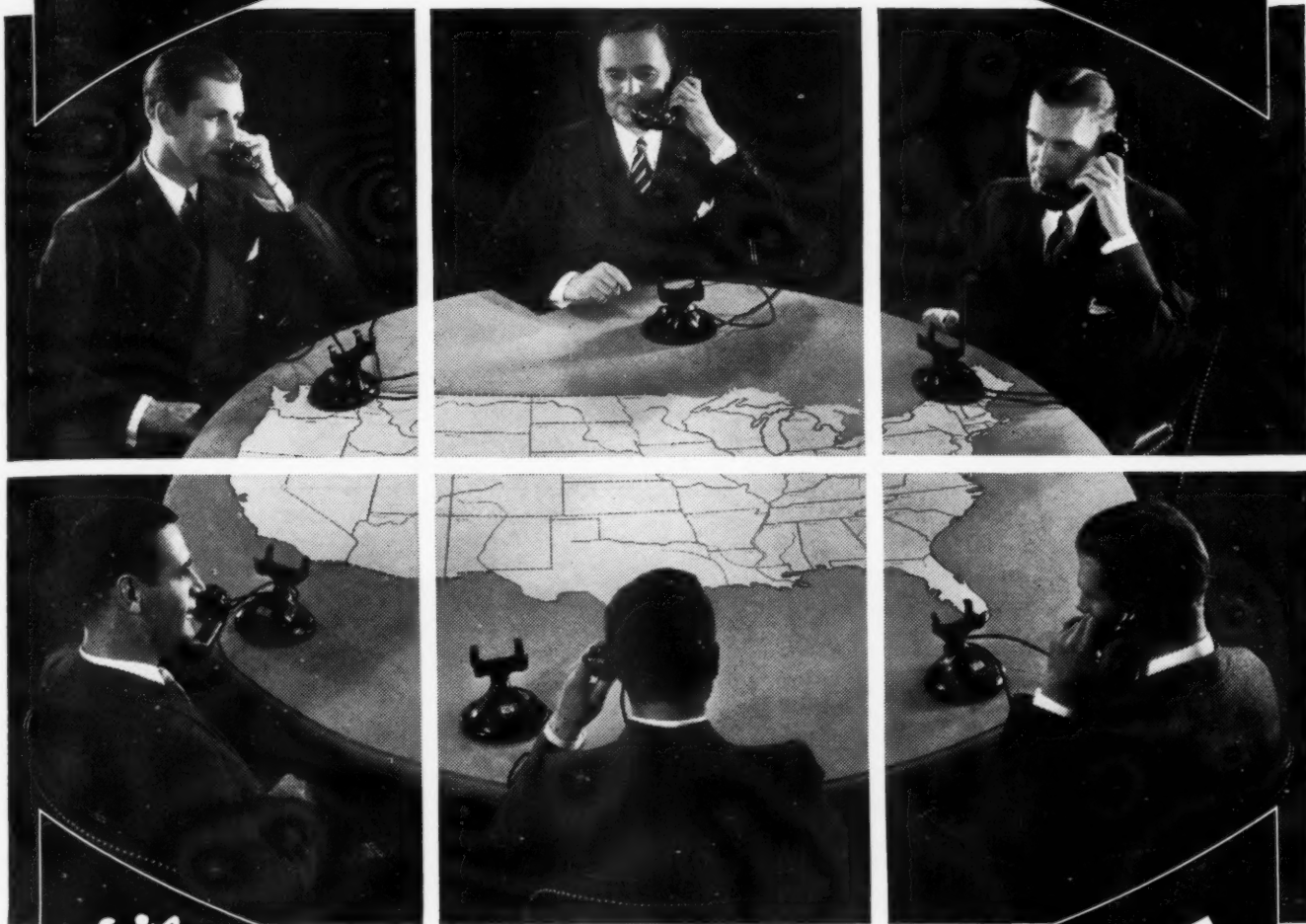
Meantime, his own summary of farm conditions in the Northwest, as reflected by the Administration's books, is given first place in current Spokane statistics. Despite the huge contribution of mining to regional prosperity, and of lumber to a less extent, the



Only 7% of the farms in the Pacific Northwest are subsistence homesteads. Rich hill-sides, such as these in the Palouse district near Spokane, lend themselves to farming as a business.



*Busy men, miles apart,*



*sit in conference* **BY TELEPHONE**

CONFERENCE telephone service permits as many as six people in different cities to talk things over on one telephone connection. It's as easy and convenient as if they were all seated together at the same table.

The service has a wide variety of applications and advantages. Executives use it for co-ordinating and controlling operations. Sales managers hold telephone conferences with their men in the field. Headquarters and branch offices discuss policies, price changes, market conditions, reports.

*It saves time and money.* Executives need not leave their desks to attend important meetings.

*It is personal and direct.* Every one can hear and be heard, as if face to face.

*It prevents delays and misunderstandings.* Questions are cleared up quickly as they arise.

*It gets immediate action.* Decisions can be made and plans get under way at once.

*The cost is low.*

Conference telephone service is ideal also for families scattered by time, travel or vacation — for holiday reunions and special anniversaries.

It is easy to arrange a telephone conference. Just call or dial Long Distance, ask for the Conference Operator, and give her the details.

Your telephone company will gladly discuss any conference you may be considering. Call the Business Office.





inherent value of an appraisal of this region, socially and economically, would seem to center around agriculture and its possible ramifications under the coming power regime. Why?

According to Pacific Northwest Farm Trio researches the Pacific Northwest has nearly one-tenth of the nation's farms using high-power line electric service. Considered on a basis of population, potential expansion of production and resource, consumer attitude towards electricity in agriculture, there is no region of like area anywhere in the country which appears slated for such startling developments through the linking of the dynamo and the plow.

What of the Northwest farmer today, then? Here are some facts and figures to bear in mind as our journey takes us beyond Spokane to the Coast and down to Portland and Salem:

"Agriculture in the Inland Empire and the Pacific Northwest generally is coming back to a position averaging only about 10 or 15% from normal," declares Rupley.

"A nearly normal wheat crop, fair to good fruit prospects and improved moisture conditions for livestock operations, together with a two-year job of debt refinancing and adjustment, made possible largely by funds advanced by the Farm Credit Administration of Spokane, have placed the Pacific Northwest farmer in the best position he has been in since 1930.

### FCA Credit Spurs Farm Profits

"In the two years ending in May, 1935, the Federal Land Bank of Spokane disbursed loans totaling \$70,770,595 to borrowers who were able with this sum to refinance more than \$85,000,000 of old indebtedness, at the same time saving approximately \$1,000,000 a year in lower interest charges, and with principal payments now amortized over a long period of years to make the mortgages practically self-liquidating.

"Loans for production purposes totaling some \$65,000,000 have been advanced to the farmers of the four Pacific Northwest states during the past year through the Production Credit Association and the Federal Intermediate Credit Bank, at not more than 5% to the farmer.

"Interest rates of the Spokane Bank for Cooperatives, the fourth credit system making up the Farm Credit Administration of Spokane, have been reduced to 3% on working capital and effective merchandising loans and 4% on long-term loans to finance construction or equipment. This bank loaned during 1934, its first year, more than \$2,680,000 and ended with only one item in arrears, which is today the only item in default. And the value of the stock of the bank held by borrowers is appreciably above par.

"Collections on Land Bank loans were more than three times as good in the first six months of 1935 as they were two years ago. Although the peak of collections usually is after harvest, a recent early Summer week saw borrowers sending payments in of more than half a million dollars."

Let us turn next to current electrical figures furnished especially to SALES

[216]

## Spokane's First Six Months, 1935-1934

|  | 6 Months—1935 | 6 Months—1934 | Gain  |
|--|---------------|---------------|-------|
| Bank clearings .....                               | \$195,961,554 | \$162,717,114 | 20.4% |
| Bank transactions .....                            | \$437,994,637 | \$372,632,927 | 17.5% |
| Building permits (number) .....                    | 940           | 646           | 45.5% |
| Building permits (value) .....                     | \$654,064     | \$463,468     | 41.1% |
| Farm sales (By Federal Land Bank) ..               | \$1,438,252   | \$1,056,822   | 36.1% |
| Post Office receipts .....                         | \$471,165     | \$416,763     | 13.1% |
| Standard Stock Exchange<br>(Number of sales) ..... | 5,509,998     | 3,622,862     | 52.1% |
| Standard Stock Exchange<br>(Value of sales) .....  | \$1,581,481   | \$1,224,225   | 29.2% |
| New car sales (Major market area) ....             | 7,670         | 4,566         | 68.0% |

MANAGEMENT by the Washington Water Power Company. This is a member of the maligned "power trust" which has done much, admittedly for a plump profit, to make the Inland Empire what it is today. Maybe it has charged too much. Maybe Grand Coulee dam will eventually put it out of business. Meantime, it is furnishing power for Grand Coulee operations, including the heating, lighting and cooking in Mason City, the all-electrical community that houses most of the better-class employees of the contractors on that huge contract—a piece of business which is helping out the profit and loss account admirably. Here are its encouraging distribution figures for 12 counties of Eastern Washington and 9 in Northern Idaho which it serves:

The total domestic load in kilowatt hours for the 12-month period ending July 31, 1935, was 141,457,182 kilowatt hours, as compared with 129,684,951 kilowatt hours for the 12 months ending July 31, 1934. These totals include residential and farm customers; of the total for the year just ended, farm customers used 57,509,455 kilowatt hours.

The company now has a total of 56,701 domestic customers, an increase of 2,124 customers as compared with July 31, 1934. The average use, in kilowatt hours, based on the average customers for the 12-month period, was 2,511 kilowatt hours for the year ended July 31, as compared with 2,412 for the year ended July 31, 1934.

### What Lies Beneath the Boom?

Let us now look at some of the basic reasons why Tom Turner, advertising director of the *Spokesman-Review* and *Daily Chronicle*, has been able to record lineage gains exceeded by only eight cities in a list of 82 measured by Media Records during both May and June. In percentage gain during June, also, Spokane beat all but one of the eight leaders. Spokane marched on to the chorus of prosperity during the first six months of this year that is

recorded in the above table.

Ralph Dyar, promotion director for the Cowles papers, is about as close to the cold steel of facts and figures in these parts as anybody could be. For a fellow who used to write thrillers and sell them mostly by mail to Al Woods, theatrical producer, Dyar is an amazing "doubler in brass" . . .

"Will industry follow agriculture here, as this country expands its communities and adds to its farm population?" He repeated my query. "Of course it will. Over a period of 10 years farmers in Washington, Idaho and Oregon have had cash incomes ranging from 48% to 68% above the average. This includes farmers, fruit growers and livestock breeders.

"What would you expect where cattle can graze the year 'round—and what can you look forward to when the Grand Coulee dam is completed, and the most fertile soil of its type on the American continent, by government test, is irrigated and producing? Here the Columbia Valley area is about as far north as the state of Maine, yet warm winds from the Japan current keep temperatures most of the year above freezing.

### Farmer-Specialists

"Farming here is a business largely. Only about 7% of our farms are classified as subsistence homesteads, where the major portion of the living comes off the farm itself. Each man specializes in his crop or crops. In the fruit growing regions every angle is scientifically managed. There are 25 or more chemical laboratories analyzing the sprays used to protect our orchard wealth in this region, particularly whether it is potent to annihilate the codling moth; later, to see whether enough has been removed from the fruit by washing and weathering to comply with pure food laws."

A little later, with more particular emphasis on the power developments of the Pacific Northwest, more will be told of the mining wealth of the country yet to be developed.

SALES MANAGEMENT

# EVERY SALES MANAGER WON'T



## *but every sales manager should READ THIS AD!*

**THIS SCALE WEIGHING 55½ LBS.  
REPLACES ONE WEIGHING 165!**

In any sales language those figures mean something important. First of all they mean this — a salesman can carry this scale to the purchaser and demonstrate it at the point of use. The importance of this sales factor is self-evident.

The importance of 63% less space; of the slashed material cost through the use of Plaskon — molded color; the introduction of America's largest molding press to produce this Plaskon scale cover — all these facts are self-evident, too. Here is a major advance in American designing, manufacturing and selling . . . fostered by American pioneers . . . The General Electric Company . . . The Aluminum Company of America . . . The Bausch & Lomb Optical Company . . . The Toledo Scale Company . . . and Toledo Synthetic Products, Inc.

Plaskon — molded color — is a urea formaldehyde synthetic plastic material. From such small but important items as buttons to this exceptionally large

molding, the Toledo Scale, Plaskon aids manufacturing and selling. Its light weight, its unusual range of color, depth of color, and purity of color make it synonymous with color wherever plastics are considered. Detailed information on all its sales values awaits your request. Write for the September issue of "Plaskon Parade".

**TOLEDO  
SYNTHETIC  
PRODUCTS**

**Incorporated**

**T O L E D O - O H I O**



**P L A S K O N**

**M O L D E D C O L O R**





# Pros and Cons on National Sales Executives' Club Continue to 'Jell'

By JOHN R. MORSE  
*Chairman, Cleveland Marketing Society,  
Cleveland, Ohio*

OUR group is made up of sales managers in the industrial products field mostly, with a few like myself who are in the marketing promotion end of the business. Due to the low business volume in the last few years, we have not been so active. We used to hold meetings every two weeks.

Our officers are heartily in favor of national sales executives' organization and will be favored if allowed to cooperate in its formation. We feel that membership should not be too restricted; that anyone active in the sales function of a concern should be eligible, on the approval of the local membership committee. Our group consists of 24 men.

By JOHN H. MOORE  
*Secretary, Sales Executives' Club,  
New York*

THE proposed national sales executives' club was discussed by the board of directors of our club today, and it was the unofficial consensus that a federation of sales executive clubs throughout the United States was well worth considering.

To this end a special committee was appointed to go into the matter thoroughly, and we will be very glad to send you their report at the earliest possible moment.

By JAMES H. WALSH  
*Secretary, Sales Managers Club of the  
Boston Chamber of Commerce,  
Boston, Massachusetts*

MR. WILLIAM C. MATTOX, president of the Sales Managers Club, has been away from Boston a great deal of the time recently and has therefore not had an opportunity up to the present to read your letter regarding the proposal to inaugurate a national sales managers club or an affiliation of local groups.

While I do not presume to express his own opinion, I believe he would agree that no important sentiment exists locally in favor of such an organization. The Boston Club exchanges notices and occasional ideas regarding club activities with groups in a number of other cities, and our relations are pleasant and cooperative so far as they go. But that any closer affiliation or identity between the organizations would be of advantage is something that none of us here, so far as I know,

have asked ourselves.

I should be in some doubt, therefore, as to whether Boston would be ready to join in a national federation, although please understand that this opinion is based on the fact that there has been no discussion of or apparent interest in such a plan.

By WILLIAM BEST  
*General Cigar Company, Inc.,  
New York City*

IT has been my observation that the discussions which usually take place at conventions and various business organizations are of a most general nature, as a rule. I have come to the conclusion, therefore, that it is apparently either too difficult or else impossible to work out anything sufficiently worth-while in a group undertaking of this nature, which of necessity would include a wide range of industries, with varying problems and widely divergent interests and policies.

By BEVAN LAWSON  
*Member of Board of Governors'  
New York Sales Managers' Club,  
New York City*

OUR officers and Board of Governors have carefully considered, both individually and in group discussion, your proposal for a national Sales Executives' Club, and, despite its several advantages, find ourselves unwilling to give the plan any broad support.

The New York Sales Managers' Club is entering its twentieth year of activity and during that period there have been a number of attempts to organize a national federation of clubs and sales executives. They have not succeeded for the reason that there has seemed to be no sound reason for the existence and maintenance of such a body.

That such a group might have political influence in dealing with legislation, taxes, etc., seems to be without precedent, considering that there now exist a multiplicity of organizations, larger and potentially stronger, through which companies can act. However, few, if any, of these companies have lent effective support to such existing instrumentalities. They simply "take it" and cry about it. There is no reason to conclude that a national organization of sales executives would be better supported or more effective politically.

Weighing the value of regional and, finally, national conventions, these indeed serve as a sounding board of individuals desiring publicity, includ-

ing "national figures," usually political, who are featured as speakers. Platitudes and glittering generalities usually tend to obscure the practical, constructive, and creative ideas which others carry to these conventions.

However there is definite reason for existence of a local sales executives' group, organized along recognized lines and with safe objectives and certain acceptable restrictions.

By S. J. DUNAWAY  
*President, The Expello Corporation,  
Dover, New Hampshire*

I NOTE in the current issue of SALES MANAGEMENT the several pages you devote to ideas about the "Proposed National Sales Executives' Club."

I am not much of a joiner or a convention man, but I have often felt the need of some outstanding national club of sales managers which would afford a clearing house for new sales ideas and also be an authoritative source of information regarding new sales problems which confront all of us frequently.

It would seem to me that such a national group could be formed into various committees, to one of which such sales problems could be referred. I have learned from experience that the most effective information regarding any sales problem is based upon the opinions of a group of sales managers who speak from experience. I have also learned that a problem which appears new to me may be old material to another.

By D. H. STEELE  
*Vice-President, Wilson Brothers,  
San Francisco, California*

MUCH of what you say about the possibilities of a national sales managers' organization is sound, as I see it. A great many advertising men and other specialized executives have similar organizations which are no doubt beneficial both to those who belong and in improving general conditions so far as their general activity is concerned. The weakness of such an organization, in my observation, comes from a tendency to dry up and for members to lose interest after the first organization work is done and the first discussions for which the organization is formed are concluded.

Perhaps your objective could be attained, at the start at least, by arranging for an annual sales managers' conference something along the lines of the Boston Conference on Retail Distribution, or the Controllers' Congress of the N.R.D.G.A. Out of some such meetings perhaps a national organization might be born.



Color and Motion combine in this "electric" to impel Attention and Consumer Action. Right: Note the two workmen on the sign, which is erected at 12th and Michigan.



Your copy of "WRITING IN LIGHTS," a comprehensive analysis of all forms of electric sign advertising, will be mailed free upon request

## Seagram's Joins Chicago's "SKYLINE of SIGNS"

And now—Seagram's!

- Seagram's has contracted with Federal for an electric spectacular to blaze their sales message both night and day to 500,000 Metropolitan Chicagoans along Chicago's "Skyline of Signs."
- Once again, therefore, an important advertiser enthusiastically endorses Chicago's "Skyline of Signs" as a vital force in their advertising program.
- And once again an important advertiser gives visual evidence of Federal leadership in the electrical advertising field.
- National advertisers are getting the facts about Chicago's "Skyline of Signs" because they are interested in driving home their sales messages to Chicago's buying population—while that buying population is on the buying path.
- And national advertisers—with the facts in hand—are joining Chicago's "Skyline of Signs."
- Ask for the facts about this new force in advertising which enables you to get more sales in this great market!

### FEDERAL ELECTRIC COMPANY, INC. CLAUDE NEON FEDERAL COMPANY

225 North Michigan Avenue, Chicago, Illinois

BALTIMORE CINCINNATI DALLAS DULUTH HOUSTON INDIANAPOLIS LEXINGTON  
LOUISVILLE MILWAUKEE MINNEAPOLIS NEW ORLEANS PHILADELPHIA ST. PAUL

Subsidiaries: { FEDERAL BRILLIANT CO., St. Louis and Kansas City, Mo.  
CLAUDE NEON FEDERAL CO. SOUTHWEST, Oklahoma City, Okla.; Tulsa, Okla.; Wichita, Kansas

"A NATIONAL SIGN SERVICE FOR NATIONAL ADVERTISERS"





As advance publicity for the first broadcast of Faultless Starch's "Forty-Niners" in Tulsa, "Clem 'n' Tina," headliners in the program, paraded gaily through the city's streets in their famous Ford, "Malaria." Samples, posters, newspaper ads gave the program added impetus.

## Faultless Starch Recorded Programs Enliven Weak, Slow Sales Areas

**I**N contrast to the radio advertiser who has found the solution to his selling problem in an hour's program featuring five-figure talent, the Faultless Starch Company of Kansas City made its first venture on the air over a year ago with a 15-minute electrical transcription which is still being run and which seems to hold unlimited pulling power for securing distribution and sales.

Running for varying intervals on five other stations since its first broadcast over KOA, Denver, in the Spring of 1934, the program has broken two fan mail records, and in one new territory has secured more than 70% immediate distribution of the product. In another territory, the sales volume in August, 1934, four months after the first broadcast, showed an increase of 421% over August, 1933. The company shows a good increase in all territories where the program is broadcast.

"The Forty-Niners," or "Clem 'n' Tina," as it has come to be known popularly, is a continued story of the adventures of a middle-aged, small town, Kansas couple, Clem and Tina Hinkle, who become involved in adventure and mystery when Tina inherits a ranch in California. They pack their "model T" and "head West" with total cash assets of \$49—a figure which occurs frequently throughout the story.

The trial run of the program at KOA was for 26 15-minute episodes, broadcast three times a week. The

territory around Denver was not new for the Faultless Company, but was slow. The time of the broadcast was early in the evening so that the entire family might enjoy the program. A series of ads in the radio section of Denver papers heralded the program, not primarily as a Faultless Starch presentation, but stressing the entertainment value of the new radio feature.

Simultaneously with the first broadcasts, samples were distributed by the company in a special effort to win distribution for the product. Window cards, advertising the program and showing pictures of the characters in setting, were placed in store windows.

At the end of the first run, 26 more broadcasts were contracted for. Dealers became conscious of the popularity of the program and many additional stores were stocked with Faultless starch.

In the Fall of 1934, the program went into operation at WSM, Nashville, which is owned by the National Life and Accident Insurance Company. It was announced by the station as the test of an entirely new merchandising plan to be carried out in connection with the program. Faultless supplied the insurance company's field men with 65,000 samples which were distributed in homes of Nashville and surrounding territory. Within the first 16 weeks of the run, better than 70% dealer distribution was obtained, and sales began coming in consistently. In one week, 14,000 Nashville listeners requested photographs of Clem and Tina. In

March of this year, the second series of 52 programs was started over WSM.

In advance of the first broadcast over KVOO, Tulsa, Oklahoma, Tulsa citizens were treated to a "Clem 'n' Tina" parade. All of the couple's worldly belongings were piled on the back of an old "model T" and tied down securely with clothesline. Even chicken coops were included in the paraphernalia. Clem and Tina rode royally in the front seat. The same type of promotion used in Denver—samples, posters, and newspaper advertising—was used again in this territory.

Over WDAF, Kansas City, the program was run at 9:30 P.M., later than it had been run before. Testing the effectiveness of the broadcasts, the company announced through the station that "Clem 'n' Tina" would go off the air for a period and that whether they returned or not depended on the response of the listeners. A picture of the characters was offered to anyone writing in. One announcement resulted in 5,500 protests by mail and many more telephone calls—another record broken! A week after the announcement, fans were told that Clem and Tina would be back on the air. Over 100 episodes have now been completed over the station.

### Program Brings Letters

Other stations used for varying lengths of time with equal success in respect to distribution and sales are WOAI, San Antonio, and WNOX, Knoxville, where the program was run just after noon—1 to 1:15.

Give-aways have been used extensively to gauge the popularity of the program. Pictures seem to be the greatest drawing card, and, after the program has been running several weeks at a station, such an offer always brings a flock of letters.

Most of the broadcasting stations used by the Faultless Starch Company have been located in undeveloped or slow territories, although they have found the program over WDAF, in the region of the factory, very profitable. In every territory entered, distribution has been secured rapidly and sales have mounted continuously.

The very human qualities of the characters are credited with the program's success. Clem and Tina have a dog named Prosperity. Clem discloses that at one time he considered seriously naming the dog Depression because "nobody knew where he came from and nobody knew how to get rid of him." The Ford is named Malaria, because "it gets hot and cold and shakes all over." The minor element of mystery in the story has great carry-over value.

# Arco "Packages" House Heating; Runs Contest to Get Buyers

**S**ELLING house heating as a complete "package" is American Radiator Company's new plan started August 25. The company backs the plan for 13 weeks with a newspaper, radio and promotion campaign to be paid for by "the biggest budget ever spent in this industry within a like period." A nation-wide contest is expected to produce thousands of customers. If successful, the campaign will be continued.

"Something new has happened to heating, too," said headlines in Arco newspaper copy released a week ago. Illustration suggested that new developments in airplanes, streamlined trains and automobiles are paralleled by what Arco now offers the public—complete home heating with domestic hot water and even air conditioning all under the American Radiator name—and on easy terms.

Whereas a householder used to ask a contractor to install a heating system—possibly specifying a boiler of his own selection but leaving all the rest to the contractor's judgment—now he is expected to ask for an "American Radiator Heating System," Arco from cellar to garret, "backed by the undivided responsibility of the American Radiator Company."

Thus Arco begins selling the country heating instead of boilers and radiators, leaving local contractors to concentrate on the one thing they have to sell: Dependable installation. This may result in better heating systems for customers, better profits for contractors, better business all around.

In its advertising Arco does not try to tell the public where it can buy an Arco System. That is left to contractors who may do their own tie-up advertising and who may display the Arco System sign.

This may not be a handicap, however, because the company, dealing largely through jobbers, has the most extensive contractor hook-up in the nation—something like 37,000.

Neither has Arco set up an inspection system to make sure that no bigger-profit "foreign" valves, radiators and equipment are installed in an otherwise Arco system. "But we expect no trouble about that," Marshall

Adams, sales promotion manager, tells SM. "We know our contractors; and, anyway, most people are basically honest." Of course the company can refuse to sell contractors who chisel.

The "package" plan, with its heavy advertising support and its new business opportunities for contractors, is shown to the industry by Arco's army of salesmen, each equipped with a new complete sales kit in a leather binder replacing the mass of material each man has been carrying to cover the various equipment lines. Thus every man is presenting an identical story of what the plan is, what the company is doing to put it over, and how the dealer can cash in on it.

The nation-wide consumer contest is aimed to uncover a large number of live prospects for contractors. The company offers to give away every week one complete system, valued up to \$750 installed, for the best 200-word letter on "Why I want an American Radiator Heating System." Every entrant names a contractor of his own preference. This is expected to put business-getting life into the campaign right at the jump-off.

## Ads Adroitly Followed Up

Both newspaper space and radio time will promote the contest. Blaker Advertising Agency places newspaper copy that started last week in Hartford, Des Moines, Louisville, Kansas City, Grand Rapids, Columbus, Ohio, Philadelphia, Toledo, Peoria, Richmond, Reading, Norfolk, Atlantic City and New York. Other cities may be added.

It gets triple radio support. First announcement was made Sunday, August 25, in Arco's broadcast of the Salzburg music festival over the NBC Red Network. Then it came forward in the regular Arco "Fireside Circle" Sunday nights over NBC's Blue Network and on daily spot radio programs from 28 NBC, CBS and independent stations throughout the country.

The contest is scheduled to run at least eight weeks; longer if it works anywhere near as well as it did in five test cities in June when plenty of

American Radiator Company breaks the news about its "packaged" home heat systems using big newspaper space in 14 cities and radio time every week.

people wrote letters—27% of them developing into active prospects for heating systems. Marschalk & Pratt, New York advertising agency, handled it during the test, using an idea from William B. Remington, Springfield, Massachusetts, and will continue to direct Arco's Fall radio effort.

While only one winner gets a free heating system each week—and that winner will probably be put on the air every Sunday night, beginning September 8, to tell the world how he or she feels about it—the list of losers will be invaluable. Each one immediately gets a letter and booklet from the company telling the Arco story. And since every contest entrant must give the name of his preferred heating contractor, the company is able to send contractors the names and addresses of ready-made prospects.

Air conditioning equipment can be sold by Arco as a part of a home heating system or separately. During the Summer the company has been promoting it independently with newspaper campaigns in various sections of the country.

The new campaign for the Arco Heating System does not headline air conditioning. It sells radiator heat, controlled for each room, and adequate domestic hot water as the great elements of "New Comfort When Winter Comes." But the company will try to sell as complete a system for homes as a buyer will take—from simple house heat to complete all-year air conditioning.

And this, thinks Arco, is the beginning of a big business year.



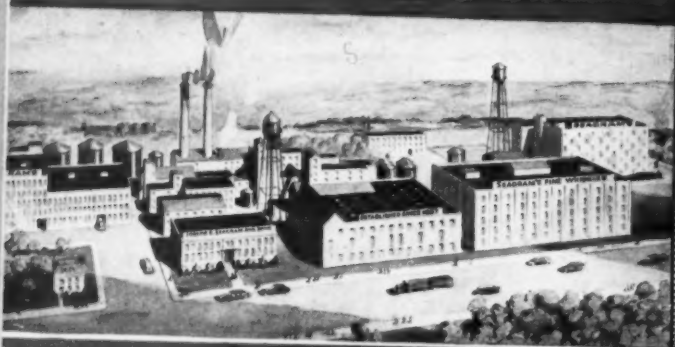
# THE QUICKEST AND MOST ECONOMICAL THE SALES AND ADVERTISING MESSAGE



SEAGRAM DISTILLERY  
Waterloo, Canada



SEAGRAM DISTILLERY  
Montreal, Canada



SEAGRAM DISTILLERY  
Lawrenceburg, Indiana

AT LAWRENCEBURG, INDIANA, SEAGRAM  
HAS JUST COMPLETED THE LARGEST INDIVIDUAL  
CASK WAREHOUSE IN THE WORLD

TELEPHONE VANDERBILT 3-8900

SEAGRAM-DISTILLERS CORPORATION  
EXECUTIVE OFFICES  
Chrysler Building, New York, N. Y.

NEW YORK STATE LICENSE NO. L-1889

Distillers Since 1857

August 6, 1935

Mr. Philip Salisbury,  
Executive Editor,  
Sales Management,  
420 Lexington Avenue,  
New York, N. Y.

Dear Mr. Salisbury:

The quickest and most economical way to give  
dealers the Sales and Advertising message is through  
business papers.

In our industry particularly, I find more  
and more interest being shown in such papers. The  
rebirth of the industry found many wholesalers and  
retailers hungry for knowledge — for ideas in connec-  
tion with the conduct of liquor merchandising.

Business papers serve this purpose. They  
constitute the business man's library, giving him facts  
often difficult to obtain through any other source.

Very truly yours,

SEAGRAM-DISTILLERS CORPORATION  
*Frank V. Schwengel*  
Frank V. Schwengel  
Vice-President



Frank V. Schwengel  
Vice-President  
Director of Sales  
Seagram-Distillers Corporation

# OMICAL WAY TO GIVE DEALERS MESSAGE . . . BUSINESS PAPERS !

● The history of Seagram-Distillers Corporation in the United States is a story of dominant leadership in the industry reached in less than two years. Established in Canada in 1857, the name "Seagram" has always been associated with fine whiskies and is known throughout the world.

The company's distilleries are located in Lawrenceburg, Indiana, Montreal and Waterloo, Canada, and are the last word in modern equipment.

Entering the American market with a late start after Repeal, Seagram products today have national distribution and wide public acceptance. The company recently celebrated the production, at Lawrenceburg, Indiana, of its forty millionth bottle of Crown whiskies, only one of the ten Seagram brands.

Seagram is said to own the largest treasure of aged rye and bourbon whiskey in the world and is thus able to maintain the uniformity and excellence of its products.

Seagram and its various subsidiary companies are among the largest national advertisers, carrying consistent advertising in newspapers, magazines and business papers. The company's high regard for business papers is brought out strikingly in Mr. Schwengel's letter at the left—the *quickest and most economical way to give dealers the sales and advertising message!*

AMERICAN BUILDER AND BUILDING AGE, Chicago  
ARCHITECTURAL RECORD, New York  
BAKERS REVIEW, New York  
BAKERS WEEKLY, New York  
BOOT AND SHOE RECORDER, New York  
BUILDING SUPPLY NEWS, Chicago  
CHAIN STORE AGE, New York  
COAL AGE, New York  
DOMESTIC ENGINEERING, Chicago  
DRY GOODS ECONOMIST, New York  
ELECTRIC LIGHT AND POWER, Chicago  
FLEET OWNER, New York  
FOOD INDUSTRIES, New York  
HARDWARE AGE, New York  
HARDWARE RETAILER, Indianapolis  
HOUSE FURNISHING REVIEW, New York  
ICE CREAM TRADE JOURNAL, New York  
JEWELERS' CIRCULAR-KEYSTONE, New York  
LAUNDRY AGE, New York  
MACHINERY, New York  
MILL AND FACTORY, New York  
NATIONAL PETROLEUM NEWS, Cleveland  
OIL AND GAS JOURNAL, Tulsa  
OIL WEEKLY, Houston  
PROGRESSIVE GROCER, New York  
RAILWAY MECHANICAL ENGINEER, New York  
RESTAURANT MANAGEMENT, New York  
RUG PROFITS, New York  
SALES MANAGEMENT, New York  
STEEL, Cleveland  
TIRES, New York

## NUMBER 21 OF A SERIES

This is one of a series of analyses made by the Sales Management editor acting for the publishers of the dominant business papers listed above. Others who have told why they use business papers and the results they have secured: General Electric, Bendis Aviation, Cannon Mills, Johns-Manville, Fruehauf Trailer, Babelite, Gorham, Lincoln Electric, Ugo Carbonic, McCann-Erickson, Westinghouse, Ohio Brass, Green Shoe, Stewart-Warner, Ruberoid, National Hotels, Jones & Lamson, International Harvester, and Fairbanks-Morse.





More and more interesting grows SM's mail as answers to "Just How Do Shifts in Media Affect Cigarette Sales?" (issue of August 1) continue to come in. Below, readers offer diverse solutions to problems set up by Miss Arnold.

## Shifts in Media Affect Cigarette Sales, But—

IN the August 1 SALES MANAGEMENT Pauline Arnold of the Market Research Corporation of America presented an analysis of a 5-year record of the sales of Lucky Strike, Camel and Chesterfield and their expenditures each year in newspapers, magazines and radio. What is the significance—if there is any—between the changes in media expenditures and the changes in the relative sales positions of the three brands? She left the solution to SM readers.

Many of them responded. Space limitations prevent us from printing all of the good replies, but here are some of the most interesting and thought-provoking ones.

C. T. Williams, director of research, Major Market Newspapers, Inc., goes a step further than Miss Arnold, and adds actual sales figures to relative positions:

"In looking for possible correlation between sales and advertising expenditures of the 'Big Three' in various media, it is, in our opinion, essential to examine the advertising activities and sales of each brand in relation to what the other two brands have been doing; and, further, it seems doubtful whether it is enough to consider only sales position, for first, second and third can be either relatively close together or far apart, and such is actually the case with the 'Big Three.'"

"A graphic chart of sales since 1930 shows a gap of 17½ billion between Lucky Strike and Chesterfield in 1930 narrowing down to a mere 1½ billion in 1934 (with the positions, of course, reversed)."

At the bottom of this page are the figures (in millions).

"Chesterfield consistently increased its percentage of the total from 23.7% in 1930 to 34.0% in 1934; Camel decreased from 36.0% in 1930 to 28.5% in 1933, before reversing the trend to 33.4% in 1934; while Lucky Strike increased from 40.3% in 1930 to 44.8% in 1932, and then went down to 32.6%.

"In view of the fact that, with the exception of 1932, all three have consistently spent in newspapers from 60% to 80% of their total appropriations (for newspapers, magazines and radio), it seems logical to assume that newspaper advertising has probably affected sales more than either magazine or radio advertising.

"Let us, therefore, first see what apparent correlation there is between sales of the various brands and newspaper advertising.

"The most striking figure in the table 'Percentage Distribution of Advertising Expenditure in Three Media' is Camel's 2.8% in newspapers in 1932, the year in which Camel was practically out of newspapers, with what Standard Statistics called 'disastrous results.'"

"This figure naturally throws out of line any year-by-year comparison of the percentages carried in newspapers by each brand of the expenditures of all three. However, here are the figures:

| Year     | Chesterfield | Camel | Lucky Strike |
|----------|--------------|-------|--------------|
| 1930.... | 30.5         | 21.4  | 48.1         |
| 1931.... | 30.5         | 28.0  | 41.5         |
| 1932.... | 51.8         | .6    | 47.6         |
| 1933.... | 32.0         | 39.5  | 28.5         |
| 1934.... | 35.7         | 32.1  | 32.2         |

"With the exception of the abnormal 1932, Chesterfield consistently increased its percentage of all three's newspaper advertising, even as it consistently increased its sales percentage; Camel tried to regain lost ground in 1933, which effort is reflected in its 1934 sprint in sales; and Lucky Strike fell off up to 1934, when it came back to some extent, but not enough to offset Camel's \$5,000,000 expenditure in newspapers in 1933.

"This seems to indicate there is some correlation between the sales of each brand, in relation to those of the other two brands, and its newspaper advertising, again in relation to that of the other two brands.

"When we regard radio expenditures from the same angle (the activity of each brand in relation to that of the other two) we find the picture not quite so clear. True, Chesterfield, after a late start in 1932, has shown a steady increase in its percentage of all three; but its sales percentage was already climbing before radio was used. Camel's increase in radio expenditures in 1931 was accompanied by a decrease in sales

percentage—its increase in 1934 by an increase in sales percentage; but its newspaper expenditures in 1934 were nearly seven times as big as its radio expenditures. Lucky Strike was the first to take to the air in force, but after 1932 seemed to decide too much was being spent in this medium.

"Here are the figures (percentages of all three brands' expenditures):

| Year     | Chesterfield | Camel | Lucky Strike |
|----------|--------------|-------|--------------|
| 1930.... | ..           | 16.5  | 83.5         |
| 1931.... | ..           | 38.3  | 61.7         |
| 1932.... | 40.3         | 17.0  | 42.7         |
| 1933.... | 46.1         | 4.7   | 49.2         |
| 1934.... | 53.1         | 32.0  | 14.8         |

"What do magazine expenditures show? Here are the figures (percentages of all three):

| Year     | Chesterfield | Camel | Lucky Strike |
|----------|--------------|-------|--------------|
| 1930.... | 27.8         | 32.9  | 39.3         |
| 1931.... | 31.2         | 35.5  | 33.3         |
| 1932.... | 21.5         | 44.5  | 34.0         |
| 1933.... | 12.4         | 66.4  | 21.2         |
| 1934.... | 14.9         | 67.0  | 18.1         |

"It is very evident here that there is almost a negative correlation between Chesterfield's increasing sales and decreasing magazine expenditures, in relation to those of the other two. Camel's steady increase in magazine expenditures, on the other hand, was accompanied by a steady decrease in sales from 1930 to 1933. Lucky Strike's sales percentage increased and then decreased, while its magazine percentage went down.

"It seems then that, as far as there can be said to be any correlation between sales and advertising expenditures in the three media, newspapers show up best. But there are so many factors affecting sales that any conclusions drawn along these lines should not be regarded as anything more than probabilities.

"And we must not lose sight of the fact that mere size of expenditure is not everything; newspapers and magazines sell white space and readers—radio sells time on the air and listeners. What use is made of this white space and time may have more influence on sales than how much of it is bought, particularly in the case of cigarettes. The Psychological Corporation has found definite evidence of the public's belief or disbelief in the sincerity of cigarette advertising; and that the selling strength of even the strongest themes has been affected by the current advertising of competitive brands."

### Copy Does It, Thinks Ad Man

An executive of a large advertising agency, who thinks it would be good politics for him to keep his name out of the argument, resolves the problem down to copy themes rather than media:

"Without any intention of competing for your prize and with the distinct understanding that these are personal (not corporate!) viewpoints, may I give you the opinion of a professional on your cigarette media article.

"Broadly, I do not believe it was a case of media at all but rather the use of those media which caused the remarkable shifts in cigarette consumption. Any one of the 'Big Four' had a sufficiently large appropriation to get visibility on a national scale. With the possible exception of Old

(Continued on page 242)

### Sales, in Millions, of Leading Cigarettes

| Year      | Chesterfield | Camel  | Lucky Strike | Total   | Percent of Total |       |       |
|-----------|--------------|--------|--------------|---------|------------------|-------|-------|
|           |              |        |              |         | Ch.              | Camel | L. S. |
| 1930..... | 25,000       | 38,000 | 42,600       | 105,600 | 23.7             | 36.0  | 40.3  |
| 1931..... | 24,600       | 33,000 | 44,600       | 102,200 | 24.1             | 32.3  | 43.6  |
| 1932..... | 21,000       | 24,600 | 37,000       | 82,600  | 25.4             | 29.8  | 44.8  |
| 1933..... | 29,000       | 26,500 | 37,500       | 93,000  | 31.2             | 28.5  | 40.3  |
| 1934..... | 34,500       | 33,800 | 33,000       | 101,300 | 34.0             | 33.4  | 32.6  |

**POWER**

**READY FOR** *Contact*

...a Selling Power, dominant and  
productive, ready to span the con-  
tinent at an executive's command.

**EAST NEWSPAPERS**

39 VITAL SELLING FORCES IN 18 GREAT MARKET AREAS







In the Terrace Room, Hotel New Yorker, New York

"... so we're thinking of tightening up on southern credits, Colonel, until the AAA's cleared up in the courts."

"That's your business, sir. But Business Week says farm income is still going up and our country's been leading the agricultural revival for two years. No AAA decision can cancel that."

Reprinted from Business Week, July 27, 1935

● No AAA court decision can cancel the hundreds of millions in cash coming to Southern farmers during the fall and winter months from the sales of much larger cash crops at highly profitable prices, and from AAA benefit payments.

## Progressive Farmer

*and Southern Ruralist*

BIRMINGHAM  
250 Park Avenue, New York

RALEIGH

MEMPHIS

DALLAS

Daily News Bldg., Chicago

THE SOUTH'S LEADING FARM-AND-HOME MAGAZINE

More Than 900,000 A.B.C. Net Paid

Rate Base—850,000 Guaranteed

[ 228 ]

## And What's More, Colonel—

● OUR 1935 COTTON CROP  
ALONE PROMISES TO BRING  
NEARLY A BILLION DOLLARS  
—GAIN OF \$170,000,000.00!

The August 8th Report of the U.S.D.A. estimates the 1935 cotton crop at 11,798,000 bales—an increase of 2,162,000 bales over the 1934 crop. It is conservatively estimated that the 1935 crop will bring Southern farmers *One Hundred and Seventy Million Dollars More* than last year's \$788,000,000 crop.

And on the early markets the increased tobacco crop is selling at prices well above last season's average.

What better assurance could be given that sales and advertising effort in the Rural South will continue to be richly rewarded?

*And Progressive Farmer's record of advertising carried and gained is abundant proof of its wide recognition as the most essential medium for influencing sales in this prosperous market.*

SALES MANAGEMENT



Photo  
Courtesy  
Progressive  
Farmer

Southern farmers have a bigger tobacco crop this year, and the early marketings have been at higher prices. Big crops this Fall are one reason why manufacturers expect a 36.2% gain in sales during the remainder of the year.

# Sales Gains in South Outstrip Those in Other Sections

More salesmen will take to the road this year below the Mason & Dixon line, and more advertisements will precede and supplement their work. Forty leading manufacturers here report how much they intend to increase the pressure behind each of these sales pistons.

A GROUP of manufacturers, most of them operating nationally, cooperated with SALES MANAGEMENT eight months ago by telling what they expected in the way of sales increases or decreases in 1935, and from what geographical sections they expected the greatest increases.

Many of these manufacturers picked the South as one of the sections where they expected better than average increases. Last month we went back to these manufacturers, and to some additional ones, and asked them a number of questions about actual results for the first half of 1935 and for their expectations for the last half of the year.

The 40 cooperating manufacturers represent 20 major industries, and their experience should be a reasonable guide to other marketing executives.

Thirty-six of 40, or 90%, report an increase in sales for the first half of the

year 1935 over the corresponding 1934 period.

The arithmetical average of their gains is 22.5%, but a better picture of how the gains are distributed may be seen from the following:

4 report decreases of from 1 to 5%  
6 report increases of from 1 to 9%  
13 report increases of from 10 to 19%  
8 report increases of from 20 to 29%  
4 report increases of from 30 to 49%  
5 report increases of 50% and over.

More than 70% report sales increases in the South greater than for the U.S. as a whole. Twenty-nine out of 40 so reported, as against four who said that gains were smaller in the South and seven who said they were the same.

**Manufacturers Expect 36.2% Gain in South Balance of Year**

In answer to the question, "By what percentage do you expect sales for the

last six months in the South to improve over similar 1934 figures for that district?" 37 of the manufacturers gave a positive answer.

The arithmetical average of the increases is 36.2%. Arranged by the same method of grouping as above, they show:

1 expects a decrease of 5%  
2 expect business to be the same  
1 expects an increase of 1 to 9%  
12 expect increases of from 10 to 19%  
9 expect increases of from 20 to 29%  
5 expect increases of from 30 to 49%  
10 expect increases of 50% and over.

Intensified personal sales work and increases in advertising expenditures have brought results in 1935 to most of the companies which use this combination. Out of 40 companies 21 increased both methods of selling this year, and 18 of them report sales increases in the South greater than for the rest of the country; two, the same; and one, a decrease.

Of the 29 which intensified personal sales work, 26 were rewarded by sales increases in the South greater than for other territories, and of the 24 which increased advertising, 19 were so rewarded.

The final question was: "Are you



## Southern Sales Records and Prospects— 40 Manufacturers

|                              | Do your sales for 1st 6 mos. show an increase? |                | Is your % sales increase in South greater or smaller than for U. S. A. whole? | By what percentage do you expect Southern sales to increase during the last 6 months of 1935 over same period 1934? | Have you intensified personal sales work in South this year? | Have you increased advertising in South this year? | Are you planning further increases in South during last half this year? |       |
|------------------------------|--|----------------|---|---|--|--|---|-------|
|                              | Yes or No                                      | % Inc. or Dec. |   |   |  |  | Salesmen  | Advg. |
| Passenger Cars.....          | Yes  | 24             | Larger  | 30  | Yes  | Yes  | No  | Yes   |
| Passenger Cars.....          | Yes  | 60             | Larger  | 80  | Yes  | Yes  | Yes   | Yes   |
| Trucks.....                  | Yes  | 21             | Same  | 25  | No   | Yes  | Yes   | Yes   |
| Tires and Tubes.....         | Yes  | 11             | Larger  | 10  | No   | No   | No  | No    |
| Batteries.....               | No   | 5              | Larger  | 15  | Yes  | Yes  | No  | Yes   |
| Spark Plugs.....             | Yes  | 10             | Same  | 10  | No   | No   | No  | No    |
| Gasoline.....                | Yes  | 13             | Larger  | 17  | Yes  | Yes  | No  | Yes   |
| Gasoline.....                | Yes  | 5              | Larger  | 10  | Yes  | Yes  | Yes   | Yes   |
| Motor Oil.....               | Yes  | 10             | Same  | 10  | No   | Yes  | No  | Yes   |
| Motor Oil.....               | No   | 2              | Larger  | 0   | No   | No   | No  | No    |
| Building Materials.....      | Yes  | 28             | Larger  | 25  | Yes  | Yes  | No  | Yes   |
| Building Materials.....      | Yes  | 40             | Larger  | 50  | Yes  | Yes  | Yes   | Yes   |
| Building Materials.....      | Yes  | 90             | Larger  | 50  | Yes  | Yes  | No  | Yes   |
| Haberdashery.....            | Yes  | 10             | Smaller   | 10  | No   | No   | No  | No    |
| Soft Drinks.....             | Yes  | 19             | Larger  | 25  | Yes  | Yes  | No  | No    |
| Soft Drinks.....             | Yes  | 6              | Larger  | 10  | No   | Yes  | No  | Yes   |
| Drugs and Toilet Goods.....  | No   | 5              | Same  | 5   | No   | No   | No  | No    |
| Drugs and Toilet Goods.....  | Yes  | 11             | Larger  | 20  | Yes  | Yes  | Yes   | Yes   |
| Drugs and Toilet Goods.....  | Yes  | 8              | Larger  | 10  | Yes  | No   | No  | Yes   |
| Drugs and Toilet Goods.....  | Yes  | 21             | Larger  | 40  | Yes  | Yes  | Yes   | Yes   |
| Drugs and Toilet Goods.....  | Yes  | 17             | Larger  | 50  | Yes  | No   | Yes   | Yes   |
| Grocery Store Products.....  | Yes  | 6              | Same  | 0   | No   | No   | No  | No    |
| Grocery Store Products.....  | No   | 1              | Smaller   | 5   | No   | No   | Yes   | Yes   |
| Grocery Store Products.....  | Yes  | 16             | Larger  | 20  | Yes  | Yes  | Yes   | Yes   |
| Grocery Store Products.....  | Yes  | 22             | Larger  | 30  | Yes  | No   | No  | Yes   |
| Grocery Store Products.....  | Yes  | 14             | Larger  | 15  | Yes  | Yes  | Yes   | Yes   |
| Grocery Store Products.....  | Yes  | 3              | Larger  | 10  | Yes  | No   | No  | No    |
| Farm Equipment.....          | Yes  | 60             | Larger  | 75  | Yes  | Yes  | Yes   | Yes   |
| Farm Equipment.....          | Yes  | 104            | Same  | 100   | Yes  | Yes  | Yes   | Yes   |
| Farm Equipment.....          | Yes  | 75             | Larger  | 100   | Yes  | Yes  | No  | Yes   |
| Farm Equipment.....          | Yes  | 42             | Larger  | 60  | Yes  | Yes  | Yes   | Yes   |
| Heating.....                 | Yes  | 29             | Larger  | 50  | Yes  | No   | No  | Yes   |
| Garden and Field.....        | Yes  | 5              | Same  | 20  | Yes  | Yes  | No  | No    |
| Garden and Field.....        | Yes  | 18             | Larger  | 30  | Yes  | No   | No  | Yes   |
| Paints and Hardware.....     | Yes  | 40             | Larger  | 80  | Yes  | Yes  | Yes   | Yes   |
| Paints and Hardware.....     | Yes  | 31             | Larger  | 25  | Yes  | No   | Yes   | Same  |
| Radio.....                   | Yes  | 12             | Larger  | 25  | Yes  | Yes  | Yes   | Yes   |
| Financial and Insurance..... | Yes  | 23             | Smaller   | 20  | No   | No   | Yes   | No    |
| Fertilizers.....             | Yes  | 10             | Smaller   | 10  | Yes  | Yes  | No  | No    |
| Hosiery.....                 | Yes  | 20             | Larger  | 30  | Yes  | No   | No  | Yes   |

planning further increases (in the South) for the balance of this year—Salesmen? Advertising?”

Seventeen are planning further increases in their sales force for the balance of this year; 23 say they are not.

A much larger number, 28 out of 40, or 70%, say that they are planning further increases in advertising in the South for the balance of this year, as against only 12 who report no increases or “the same.”

### Retail Sales Confirm Reports from Manufacturers

The Federal Reserve Board's monthly figures of department store sales lend a striking confirmation to the soundness of the optimistic feeling expressed by manufacturers, for both in current month figures and for the

year to date the Reserve Districts covering the South make a more than favorable showing. This is especially true of the Richmond and Atlanta districts.

### Department Store Sales in July, 1935 (Percentage change from a year ago)

|                            | July | January 1 to July 31 |
|----------------------------|------|----------------------|
| Federal Reserve Districts: |      |                      |
| Boston .....               | + 8  | — 2                  |
| New York .....             | +10  | — 1                  |
| Philadelphia .....         | +10  | 0                    |
| Cleveland .....            | +14  | + 2                  |
| Richmond .....             | +16  | + 6                  |
| Atlanta .....              | +18  | + 4                  |
| Chicago .....              | +16  | + 6                  |
| St. Louis .....            | +17  | + 1                  |
| Minneapolis .....          | +16  | + 5                  |
| Kansas City .....          | +14  | + 5                  |
| Dallas .....               | +15  | + 6                  |
| San Francisco .....        | +18  | +10                  |
| Total .....                | +14  | + 3                  |

## The South Has Impressive List of “World's Largest”

The extraordinary development of manufacturers in the South since the War is shown by the impressive list of the world's largest industries in that section.

*The South has the world's largest:*

Airport reservation  
Industrial alcohol plant  
Aluminum reduction plant and plate mill  
Axe plant  
Rock asphalt mine  
Bottle washing machinery making plant  
Box plant  
(and only) Plant making bromine from seawater  
(and only) Cellulose plant converting rice hulls into chemically pure cellulose  
Chinaware plant three times larger than any other similar plant  
Manufacturer of citrus machinery and canning equipment  
Bituminous coal mine  
Damask mills  
Denim mill  
Foil plant  
Gas compressor station  
Hickory handle factory  
Helium plant  
Hosiery mills  
Lumber mill  
Oil refinery  
Overall factory  
Paper and bag plant  
Peanut oil plant  
Producers of cast iron pipe, making half the output of this country  
Enamel iron and brass plumbing plant  
Sanitary pottery plant  
Exclusive book printing and binding plant  
Rayon plant  
Rice mill  
Salt mine  
Shovel plant  
Spice and extract factory  
Cold storage plant  
Sugar machinery plant  
Sulphur mining plant  
Sugar cane syrup canning plant  
Sulphuric acid and phosphate plants  
Tobacco manufacturing plant  
Portable electric tool plant  
Towel mill  
Trunk factory  
Wagon factory



## ***A \$193,391,000 Cotton Crop Now Ready for Harvest . . .***

Oklahoma's 1935 cotton crop is estimated at 160% above last year and the crop in Texas 60% ahead of the 1934 figures, according to the August 1 estimates of the United States Department of Agriculture.

This means that a \$193,391,000 crop stands ready for harvest in Oklahoma and North Texas . . . slightly more than \$94,000,000 above what these same cotton farmers received from their 1934 crop.

It is a cash income that will be ready for spending during the next four months. Your advertising in *The Farmer-Stockman* during that time will be a standing invitation for these prosperous cotton farmers to spend a part of that income with you.

# **The FARMER-STOCKMAN**

NOW MORE THAN 224,000 CIRCULATION

*Covering Oklahoma and North Texas*

O K L A H O M A C I T Y , O K L A H O M A

SEPTEMBER 1, 1935

[231]





The great Cannon Mills, at Kannapolis, N. C. In the past twenty months \$140,000,000 have been invested in new manufacturing plants in the South.

## South's Industries Lead in Business Upturn

**W**ITH greater Summer activity than in two years in many sections, and a more encouraging trade outlook for the Fall and Winter, the Southern states are leading the rest of the country in the business upturn. The continued industrial development of the South, which a world-wide depression could not stop, is based on sound economic and physical factors of abundant raw materials, available power, transportation, climatic and other advantages.

### Industrial Building Gains

One of the brighter spots on the business map of the country is the revival of private construction, and especially the gains made in industrial plant expansion in the South. Contracts let for new building and engineering projects up to the middle of August in the South amounted to approximately \$300,000,000. Of this total, in excess of \$110,000,000 were invested in privately financed construction operations and about \$60,000,000 were invested in new industrial plants and improvements. In the total of private work, including residences, the actual increase in the South this year is over \$22,000,000 compared

B Y  
HOWARD L. CLARK

*Managing Editor,  
Manufacturers  
Record*

with the corresponding period of 1934.

There has been a gain of more than \$8,000,000 in industrial and engineering awards over the same months of last year.

In the past 20 months about \$140,000,000 have been invested in new manufacturing and allied industries in the South.

Store and commercial building construction this year is about \$25,000,000, more than double similar awards for the corresponding period of 1934.

### Industrial Expansion Diversified

Indicative of the variety of the larger industrial operations that have been started in the South in the past several weeks are:

- \$5,000,000 cold-rolled strip mill, Sparrows Point, Maryland, Bethlehem Steel Company.
- \$4,000,000 pulp and paper mill using Southern pine, Savannah,

- Georgia, Union Bag and Paper Corporation.
- \$1,600,000 coal pier, Norfolk, Virginia, Norfolk & Western Railway.
- \$1,000,000 oil refining unit, Beaumont, Texas, Magnolia Petroleum Company.
- \$1,000,000 distillery, Frankfort, Kentucky, Frankfort Distilleries, Inc.
- \$290,000 vegetable oil plant, Chattanooga, Tennessee, Look-out Oil & Refining Company.
- \$200,000 coal mine development, Pineville, West Virginia, Red Jacket, Jr., Coal Company.
- \$200,000 improvement, Panama City, Florida, Southern Kraft Corporation.
- \$180,000 sugar refinery improvement, Savannah, Georgia, Savannah Sugar Refining Corporation.

Added to this investment by private interests are many millions of dollars expended in oil and gas pipe line extensions, bulk oil terminal stations, and the building and expansion of a great variety of miscellaneous manufacturing plants, such as breweries, fruit and vegetable packing plants, foundries, grain elevators, cheese, tobacco, and chemical plants, etc.

Among the larger commercial building projects let to contract are:

- \$1,000,000 office building, Washington, District of Columbia, Acacia Mutual Life Insurance Company.
- \$1,200,000 department store, Birmingham, Alabama, Love-man, Joseph and Lock.

Many chain store organizations have been expending from \$50,000 to \$400,000 in building operations in the South, the latter amount being for the new store of S. H. Kress & Company, at Nashville, Tennessee.

### Favorable Factors for Continued Activity

It is an encouraging fact that private building is continually increasing, as public work has slackened in recent weeks, and the increase in private home building is of particular moment because it indicates a determination to advance following five years of almost no home building. It is expected that building operations will continue active in the South during the Fall and Winter, where work of this character may be carried on with less delay and cost than in other sections due to more favorable weather conditions. Then, too, as a natural result of increased trade and business activity in recent

SALES MANAGEMENT

# After The Harvest!

Nearly one-half of the South's annual farm income of 2 Billion Dollars is received—and spent—during the fall months.

THE FALL MONTHS are always the South's most active buying season—the period when the greater part of the section's huge annual cash income is received, and business activity reaches its greatest heights . . .

THE SOUTH today leads every other section in the percentage of increase of retail sales . . .

THIS FALL, with Southern business, industry and agriculture recording new gains . . . and with the extra impetus afforded by 1935 federal benefits to Southern farmers of over \$175,000,000 . . . the South is entering upon the brightest fall season it has experienced in many years.

## Your Key to This Important and Unique Market

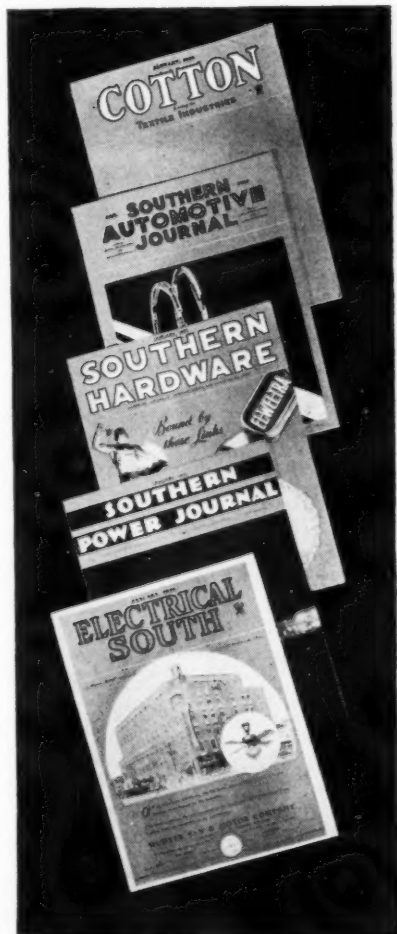
### THE W. R. C. SMITH PUBLICATIONS

To facilitate the prompt and effective expansion of your sales efforts in this singularly favored area, make full use of the cooperation of the W. R. C. Smith publications—draw upon their wealth of information gained in the course of long and intimate acquaintance with the South—and capitalize on their standing and good will, their intense reader interest and thorough coverage powerfully concentrated in this region of peculiar market characteristics and distinctive buying habits.

*Write today. Any inquiry concerning your market in the South will be welcomed.*

*W. R. C. Smith* **PUBLISHING COMPANY**

Editorial and Business Offices: GRANT BUILDING, ATLANTA, GA.





months, there will be a stimulus to further expansion in building of all kinds. This is now in evidence in some sections, for individual initiative seems determined to forge ahead despite adverse political influences that have hampered freedom of action.

The Summer volume of trade and activity, especially in the Southern states, forecasts continued improvement in the Fall. Department store sales have shown an increase from 4 to 15% in many communities. Rural retail sales have been about 20% above last Summer's business. More automobiles, refrigerators and home electric appliances, and farm equipment have been sold. It is estimated that this year's agricultural output will show an increase of approximately \$400,000,000 over 1934 when the South's gross volume was in excess of \$2,914,000,000. As the Southern states produce more than 43% of the country's crop values, this section is expected to furnish this Fall and Winter a large part of the buying power of the country from this new wealth created from the soil.

### General Business Improvement

With the substantial gain in general business during the Summer widely diffused among many lines; with farm real estate values rising; with increased residential building; with greater privately financed industrial expansion, and continued gain averaging about 7% each week in electric output compared with the corresponding weeks of last year, the South is in a favored position to move forward. With expectations for a good harvest this Fall, and with continued good prices, farmers and others will continue to pay off old debts and spend more freely. As a result, merchants in the farming areas are in better shape and in a happier frame of mind.

This was particularly noticeable in the Southeast, where in a recent 2,200-mile trip over perfect roads I found conditions more encouraging than for several years. Some sections visited are more prosperous than others, as is to be expected in so wide a territory and one so varied in its chief activities. On the whole, conditions are decidedly improved in the lower South, with Florida making the most progress in new building. Indications are that, following the best Winter business season in years and with increased activity this Summer, the coming Winter will bring an even larger number of visitors into the State. Aside from its climatic advantages, its winter vegetable and citrus growing resources, the industrial opportunities of the State are becoming better known. It is now

Photo by  
Ewing  
Galloway

One industry in which automatic machinery has made no serious inroads is cotton picking. Field workers will have plenty of dollars to jingle this Fall.



Photo courtesy  
J. I. Case  
Company

Despite a plentiful labor supply Southern planters are investing heavily this year in implements, including the mechanized type.

producing more than \$116,000,000 of manufactured goods annually and, with the trend toward industrial decentralization and greater interest manifested in Florida as a place to live and work the year round, Florida has greater opportunity for advancement, as has, for that matter, the whole Southern region of the United States.

### South's Buying Power

The volume of wholesale and retail trade, which amounted to more than \$12,000,000,000 in the depression year 1933, is expected to show a gain this year. The measure of the South's buying power from primary production is indicated by the fact that in 1934 the aggregate value of its crops, forest products and livestock was \$2,914,000,000; the value of its manufactures \$6,000,000,000, and it produced about \$1,000,000,000 from its mines and quarries. This, in addition to the revenue from its transportation and other service industries, gives the South a volume of buying power which has its effect upon business in every line throughout the nation.

### This Year's Cotton Crop Worth More Than a Billion

According to indications in late August, this year's cotton crop will bring the farmers of the South more than a billion dollars—a tidy increase of 162 millions.

The estimate is a consolidation made by the Research Department of the *Progressive Farmer and Southern Ruralist* from government reports of crop conditions and allotments and Memphis market prices.

| State                | Farm Value in millions | Gain over '34 in millions |
|----------------------|------------------------|---------------------------|
| Texas .....          | \$327.0                | \$111.7                   |
| Mississippi .....    | 104.4                  | 3.6                       |
| Georgia .....        | 87.1                   | 2.3                       |
| Alabama .....        | 87.1                   | 4.3                       |
| Arkansas .....       | 77.0                   | 1.4                       |
| Oklahoma .....       | 71.1                   | 40.8                      |
| South Carolina ..... | 64.4                   | 3.9                       |
| North Carolina ..... | 51.9                   | —3.3                      |
| Louisiana .....      | 52.5                   | 9.8                       |
| Tennessee .....      | 29.5                   | —4.7                      |
| Virginia .....       | 2.6                    | — .5                      |
| Florida .....        | 2.5                    | .2                        |
| Total South: .....   | \$957.8                | \$169.6                   |
| Other States: .....  | 52.6                   | —6.7                      |
| Total U. S.: .....   | \$1,010.5              | \$162.9                   |

SALES MANAGEMENT

# GOOD OLD DAYS ARE HERE

## With Better NEW Days Ahead!

### *The South still leads the Prosperity Parade*

For the first six months of 1935, compared with the same period of 1934—

***In Retail Sales***—The South led every section, with a gain of 26½ per cent. The gain in the East was 17½ per cent.

***In Residential Building***—The South gained 91 per cent, compared to a National Gain of 69 per cent.

*One Southern advertiser reports receiving 27,000 requests for books on farm buildings and improvements.*

***In Medium-Priced Cars***—The South's gain was 116.2 per cent, compared with 44.2 per cent for other sections, while cars in the lower-priced brackets show an advertising cost per car in the South about half of that for the remaining States.

***In Truck Sales***—Southern States increased 32.6 per cent to 29.6 per cent for the remaining States.

### ***Tobacco Markets Now Opening Are Setting New Records***

for volume and price. In Georgia during the first seven days, six million more pounds were sold than during the entire 1934 season. The price average was 22.23 cents, as against 18.73 cents last year. This tobacco money, which last year amounted to \$210,460,000, will continue in a steady stream for the next seven months.

### **SOUTHERN AGRICULTURIST CIRCULATION REACHES NEW HIGH**

Southern Agriculturist entered 1935 with a circulation exceeding 800,000—the largest in its history. That advertisers appreciate this way to reach the golden Southern market is shown by the increase of 42 per cent over 1934 in September lineage.

Southern Agriculturist gives consistent, effective cooperation to advertisers. Through its Farm Trade News, 25,000 leading jobbers, jobbers' salesmen, and retailers are regularly reached. Let us tell you more about this.

## SOUTHERN AGRICULTURIST

B. KIRK RANKIN, Publisher

Circulation More Than 800,000

NASHVILLE, TENNESSEE

NEW YORK OFFICE,  
919 Graybar Bldg.,  
420 Lexington Ave.,  
Austin LeStrange, Mgr.

DETROIT OFFICE,  
2-123 General Motors Bldg.,  
Richard L. Hobart,  
Manager

CHICAGO OFFICE,  
1205 Carbide & Carbon Bldg.,  
230 N. Michigan Ave.,  
Frank S. Whitman, Mgr.

SAN FRANCISCO  
REPRESENTATIVE,  
Don Harway,  
155 Montgomery St.



# New Car Sales Show Cotton Belt Well on Road to Recovery

BY RAY B. PRESCOTT

In the South, in all states but one, passenger car sales have at least doubled since the first half of 1932. Truck sales too, testify to the improved position of the territory south of the Mason & Dixon line.

**T**AKING the first six months' periods of the years 1935, 1934 and 1932 as a basis of comparison of car sales in the cotton belt, it is interesting to note that in 1935 these sales reached a level of 167% ahead of 1932 and 32.0% ahead of 1934, while sales in the country as a whole were 120% over 1932 and 46.7% over 1934. The gain in the cotton belt over the first half of 1932 was 39.0% better than it was for the country as a whole. But the country as a whole made a 45.0% better gain over the first half of 1934 than was made by the cotton belt.

The explanation for this relatively faster recovery of the cotton belt over the country as a whole since 1932 is comparatively simple when it is recalled that about 250 millions of dollars were poured into this section by the end of 1934. As a matter of fact, nearly half the allotment money passed out by the AAA up to the end of 1934 went into the cotton belt. Of this amount, over 80%, or \$184,000,000, went for cotton alone. It would hardly be possible to pour a quarter of a billion dollars into 14 states without materially increasing the purchasing power of those states.

There is little doubt that a large proportion of this money went to purchase new cars—or released money that could be used for cars, which amounts to the same thing. And general business, of course, also received stimulation from this allotment money.

It cannot be assumed, because car sales in the United States increased 120% over 1932, that purchasing power has increased in the same ratio. A study of the correlation between car sales and purchasing power, covering a 15-year period, indicates that an increase of 3% in car sales means that there has been a 1% increase in total purchasing power. The national increase in purchasing power is about 40%.

The industrial states, however,

which comprise the largest proportion of the remainder of the country, enjoyed no such payments from the AAA, and consequently had to wait for industry to pick up. That this is actually happening is reflected in the 45.0% larger gain made in 1935 over '34 by the country as a whole.

Table I accompanying this article shows the gains made in passenger car sales by the 14 individual states that constitute the South.

There is only one state—Virginia—in which the sales of passenger cars have failed to double since the first half of 1932. But Virginia received

only 2.5 million dollars of the money distributed in these states, while the others had many times that amount. This fact would seem to account for the failure of this state to keep pace with the other members of the cotton belt.

The sales of cars in six of these states during the first half of 1935 were three times what they were in the same period of 1932. This large increase is significant when it is realized, as pointed out above, that the increase in the sales of cars for the country as a whole was about half of what it was in some of these states. In the remaining seven states the sales of passenger cars varied quite widely from just a little better than twice to three times the number sold in 1932. There was only one state in the 14 which did not equal the national increase.

The story is quite different when a comparison is made of the gains of

Table I: Comparison of the Sales of Passenger Cars for the First Halves of 1935-1934-1932

|                            | CAR SALES IN THOUSANDS |        |        | PERCENTAGE    |               |               |
|----------------------------|------------------------|--------|--------|---------------|---------------|---------------|
|                            | 1935                   | 1934   | 1932   | 35<br>—<br>32 | 35<br>—<br>34 | 34<br>—<br>32 |
| <b>EAST SOUTH CENTRAL</b>  |                        |        |        |               |               |               |
| Alabama .....              | 13.32                  | 11.16  | 4.41   | 204.0%        | 19.5%         | 153.1%        |
| Kentucky .....             | 20.21                  | 15.09  | 8.08   | 150.0         | 34.0          | 86.8          |
| Mississippi .....          | 9.09                   | 7.59   | 3.01   | 204.1         | 20.0          | 152.2         |
| Tennessee .....            | 20.96                  | 12.73  | 5.86   | 257.5         | 64.8          | 110.0         |
| Total .....                | 63.59                  | 46.57  | 21.36  | 198.0         | 36.6          | 116.0         |
| <b>WEST SOUTH CENTRAL</b>  |                        |        |        |               |               |               |
| Arkansas .....             | 8.99                   | 7.63   | 3.82   | 135.2         | 18.0%         | 100.0%        |
| Louisiana .....            | 14.04                  | 10.16  | 5.43   | 158.5         | 40.3          | 87.2          |
| Oklahoma .....             | 26.60                  | 19.81  | 9.23   | 188.1         | 34.2          | 114.5         |
| Texas .....                | 70.24                  | 55.02  | 23.47  | 199.1         | 27.6          | 134.5         |
| Total .....                | 119.88                 | 92.62  | 41.95  | 186.0         | 29.5          | 120.5         |
| <b>SOUTH ATLANTIC</b>      |                        |        |        |               |               |               |
| Florida .....              | 16.87                  | 13.62  | 7.61   | 121.7%        | 24.0%         | 79.0%         |
| Georgia .....              | 22.00                  | 17.74  | 7.86   | 180.0         | 24.0          | 125.6         |
| North Carolina .....       | 25.92                  | 19.11  | 7.11   | 264.6         | 35.7          | 168.5         |
| South Carolina .....       | 11.68                  | 9.33   | 3.45   | 238.5         | 25.2          | 170.1         |
| Virginia .....             | 23.56                  | 14.67  | 12.21  | 93.0          | 60.5          | 20.2          |
| West Virginia .....        | 13.88                  | 11.25  | 5.93   | 134.0         | 32.0          | 89.7          |
| Total .....                | 118.91                 | 85.72  | 48.05  | 137.1         | 32.0          | 78.4          |
| Group Total .....          | 297.38                 | 224.91 | 111.36 | 167.0%        | 32.0%         | 100.2%        |
| <b>UNITED STATES</b> ..... | 1461.94                | 995.55 | 663.63 | 120.2%        | 46.7%         | 50.0%         |

# The South's First Market Goes Shopping



With Over **\$ 200,000,000<sup>00</sup>**  
*Spending money*

With announcement of stabilization of the cotton market through the 10c loan, AAA officials predict a billion-dollar cotton crop.

Memphis is the largest inland cotton market in the world. It is in the heart of the long staple cotton producing area. The premium prices for the long staple make Memphis' cut in this billion-dollar melon a big one. Something like \$200,000,000.00 will be the intake from cotton and seed in the Memphis territory—the Memphis market. The South's First Market in trading area population, 2,179,474, according to Major Market Newspapers.

Memphis' wholesale and retail houses are aglow with optimistic outlook. Deposits in banks in the city of Memphis alone are already \$15,000,000.00 greater than a year ago. Have long since passed the 1929 peak.

An advertising medium as great as the market gives the national advertisers a perfect set-up. The Commercial Appeal—largest daily circulation South. National advertisers accorded it a recognition probably unmatched by any other newspaper in America—gave the Commercial Appeal 97.94% of the exclusive Memphis lineage during the half year closing June 30, 1935, authority Media Records.

September 1st is New Year's Day in Dixie. It's then, the South's First Market goes shopping with millions of dollars new spending money. You could not introduce your product to a market more rich or responsive, nor at a more opportune time. And an intelligent merchandising cooperation, in keeping with the outstanding market and medium. Ask any Branham Office, or write Memphis direct.

JAMES HAMMOND,  
 Publisher.

## THE COMMERCIAL APPEAL

NATIONAL REPRESENTATIVE: THE BRANHAM COMPANY



## Economic Progress of 10 Southern States—1910 to 1934

Percentage increases 1934 over 1910 in major indices of wealth, production and purchasing power, showing the South arrayed against the U. S. A. as a whole.

|                                     | Va.   | N.C.  | S.C.  | Ga.   | Fla.   | Ala.  | Miss. | La.   | Tenn. | Ky.   | U.S.A. |
|-------------------------------------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|--------|
| Population .....                    | 19    | 50    | 16    | 11    | 109    | 27    | 14    | 31    | 23    | 16    | 37     |
| Property, assessed value .....      | 176   | 251   | 30    | 34    | 202    | 78    | 38    | 173   | 196   | 156   | 133    |
| Value of manufactured products..... | 132   | 306   | 127   | 90    | 60     | 75    | -10   | 40    | 98    | 33    | 51     |
| Value of mineral products.....      | 1     | 28    | -50   | 0     | -5     | -51   | 217   | 448   | -28   | 210   | 26     |
| Electrical energy output .....      | 674   | 2,043 | 273   | 700   | 1,215  | 1,285 | 40    | 1,069 | 643   | 397   | 436    |
| Value of farm products.....         | 5     | 80    | -14   | -10   | 152    | 5     | 0     | 25    | -10   | -17   | -3     |
| Savings bank deposits .....         | 348   | 223   | -21   | 217   | 196    | 582   | 361   | 128   | 326   | 258   | 201    |
| Life insurance in force .....       | 463   | 316   | 356   | 206   | 670    | 358   | 264   | 365   | 448   | 264   | 528    |
| Motor vehicles, number .....        | 6,232 | 7,322 | 1,928 | 1,884 | 16,760 | 7,424 | 5,830 | 3,385 | 2,600 | 6,640 | 2,368  |

The majority of Southern states have not increased in population during the last 25 years as rapidly as the nation as a whole, but the indices of wealth and purchasing power indicate that the status of the average Southerner as a sales prospect has improved far faster than the native of other sections.

For example, in six out of the ten states the assessed value of property has increased more rapidly than that of the nation. In 7 out of 10 states gains in value of manufactured products

outstrip those of the nation, and the same relationship holds good for savings bank deposits. The increase in the number of motor vehicles registered is greater than the nation in every Southern state except two—and the only reason why the percentage of motor vehicle increase in Georgia and South Carolina is less than for the other Southern states, is that in 1910 they had more registrations than other neighbor states, hence the percentage gains are not as precipitous.

the first half of 1935 over the first half of 1934. The sales in the country as a whole increased 46.7% over the first half of 1934. Yet there were only two states in the cotton belt in which the increase in car sales exceeded the national gain: Virginia, which had failed to equal the national increase over 1932, and Tennessee.

Their increases were 60.5% and 64.8% respectively.

Here, again, we find at least a partial explanation in the fact that allotment money began to pour into these states during the last half of 1933 and continued through 1934. Consequently, there was a rush in the Spring of 1934 to replace cars—a replacement by then

decidedly overdue.

Just as the increase in passenger car sales reflects the increase in purchasing power, so does the increase in truck sales (See Table II) reflect an increase in business activity. There is one fundamental difference between the purchase of a passenger car and the purchase of a truck: A business man never buys a new truck unless the purchase is necessary in order for him to carry on his business, whereas a passenger car is often purchased without any imperative need for it. A truck is an investment that must yield a profit. Consequently an increase in truck sales is an indication that general business is increasing also.

Where passenger car sales for the cotton belt showed an increase of 167% during the first half of 1935 over the same period of 1932, truck sales increased 254% in the cotton belt, and 154% in the country as a whole. This is a gain of 66% in truck sales for the cotton belt over the nation. Truck sales in the cotton belt showed a somewhat larger increase in 1935 over 1934 than sales in the U. S., which is contrary to what happened in the sales of passenger cars.

The increase in truck sales in a number of states of the cotton belt greatly exceeded the sales of passenger cars. These gains clearly indicate a greatly increased business activity in these states. Table II shows the gains made in truck sales in the 14 individual states constituting the cotton belt.

This table shows that in six of the 14 states truck sales were four times greater in the first half of 1935 than they were in 1932 and in six other states they were three times what they were in 1932. The remaining two states showed sales during this period

## FIRST IN THE SOUTH

(In the Major Markets)

In Percentage of HOME COVERAGE in ABC RETAIL TRADING TERRITORY.

*The Rich Farm Market of  
the Famous T.V.A. Region*

**The Knoxville Journal**  
Tennessee Valley's Greatest Newspaper  
Represented Nationally by The Branham Co.

Table II: Comparison of the Sales of Trucks  
for the First Halves of 1935-1934-1932

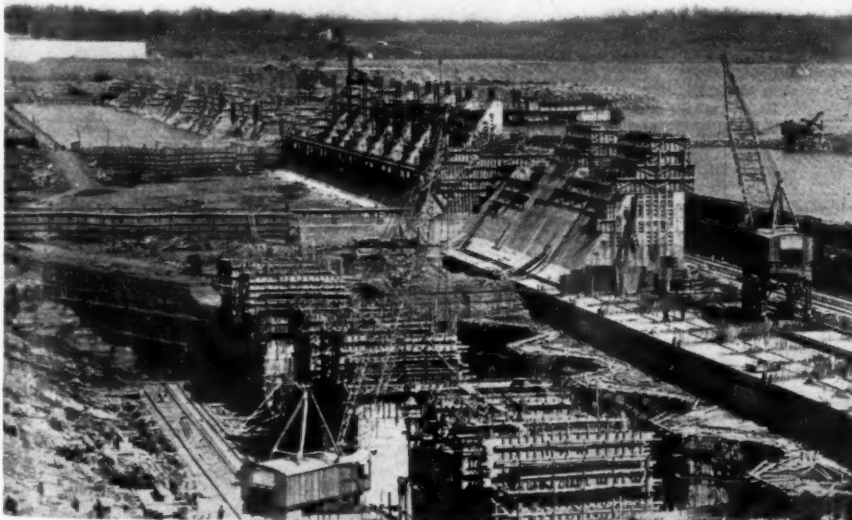
|                           | TRUCK SALES IN THOUSANDS |        |       | PERCENTAGE |       |        |
|---------------------------|--------------------------|--------|-------|------------|-------|--------|
|                           | 1935                     | 1934   | 1932  | 35         | 35    | 34     |
|                           |                          |        |       | 32         | 34    | 32     |
| <b>EAST SOUTH CENTRAL</b> |                          |        |       |            |       |        |
| Alabama.....              | 3.76                     | 3.29   | .92   | 309.0%     | 14.4% | 257.8% |
| Kentucky.....             | 4.49                     | 3.36   | 1.32  | 240.1      | 33.7  | 154.8  |
| Mississippi.....          | 2.67                     | 2.05   | .65   | 312.2      | 30.8  | 215.4  |
| Tennessee.....            | 4.76                     | 2.78   | .99   | 181.0      | 71.0  | 180.8  |
| Total.....                | 15.68                    | 11.48  | 3.88  | 304.5      | 36.8  | 196.0  |
| <b>WEST SOUTH CENTRAL</b> |                          |        |       |            |       |        |
| Arkansas.....             | 3.27                     | 2.25   | .74   | 342.0%     | 45.3% | 204.0% |
| Louisiana.....            | 3.19                     | 2.17   | .92   | 247.0      | 47.0  | 136.0  |
| Oklahoma.....             | 5.52                     | 4.41   | 1.20  | 360.0      | 25.0  | 268.2  |
| Texas.....                | 16.41                    | 12.32  | 4.26  | 285.2      | 33.3  | 189.1  |
| Total.....                | 28.39                    | 21.15  | 7.12  | 299.0      | 34.1  | 197.2  |
| <b>SOUTH ATLANTIC</b>     |                          |        |       |            |       |        |
| Florida.....              | 3.99                     | 3.82   | 1.63  | 144.9%     | 4.4%  | 134.7% |
| Georgia.....              | 5.79                     | 4.07   | 1.47  | 294.0      | 41.2  | 172.9  |
| North Carolina.....       | 6.59                     | 4.83   | 1.74  | 278.9      | 36.5  | 177.7  |
| South Carolina.....       | 2.64                     | 2.03   | .66   | 300.0      | 29.4  | 209.0  |
| Virginia.....             | 5.91                     | 4.27   | 2.21  | 167.5      | 38.4  | 93.2   |
| West Virginia.....        | 3.37                     | 2.94   | .97   | 248.5      | 15.0  | 203.0  |
| Total.....                | 31.70                    | 24.43  | 10.39 | 205.3      | 29.8  | 135.3  |
| Group Total.....          | 75.77                    | 57.06  | 21.39 | 254.0%     | 34.5% | 166.8% |
| UNITED STATES.....        | 254.06                   | 194.75 | 92.83 | 154.0%     | 30.7% | 94.0%  |

of two and a half times those of the first six months of 1932, which was likewise the increase for the country as a whole. The largest increase was made in Tennessee, 381.0%; the smallest in Florida, 144.9%.

There is little doubt that the millions of dollars of allotment money

distributed in the cotton belt states were responsible for the large increases in truck sales over 1932. This allotment money was paid directly to the farmers and allowed them to purchase new cars and trucks and to pay bills that had necessarily been accu-

(Continued on page 243)



Wide World Photo

The millions being spent by the Tennessee Valley Authority and the Government experiments in "yardsticking" have speeded up private spendings—and retail sales—in the vast area. Here is the construction work to date on the Wheeler Dam.

SEPTEMBER 1, 1935



● Those money-making large Southern advertisers, who successfully built their first sales in the South, what do they do to keep their sales cost so low and their volume high in a territory comparatively thinly populated?

● How much copy will the Southern territory stand? When is it best to run this copy? How can coverage be most economically bought in the South? What copy best fits the peculiarities of the Southern market?

● In the solution of these questions rests your volume—and your profits in the South.

● For twenty-five years we have been successfully answering these questions for our Southern clients and for a number of Northern firms who build separate Southern campaigns to fit this territory and its peoples.

● Without obligation, we will be glad to send you our "Survey on Southern Coverage." It may help you to produce more Southern sales.

**LAKE-SPIRO-COHN, Inc.**

STERICK  
BLDG.  
Memphis, Tenn.

Advertising

RCA  
BLDG.  
New York City



# Increased Farm Income Forecasts Greater Retail Volume in South

**R**ETAIL trade in the Southern states for the first seven months of this year has been about 12% greater than it was during the similar 1934 period. These improved trade conditions were caused by the sharp increase that occurred in farm income during the last half of 1934. However, in recent months, there has been a great deal of infor-

mation published which has portrayed a rather precarious position in which these Southern states, depending greatly upon cotton for their livelihood, have found themselves. In reading this material, one naturally gets the opinion that sales in the Southern districts of the United States will, within a short period of time, show sharp reactions. They also convey the idea

BY

A. L. JACKSON

*Editor, Economics Statistics, Inc.*

that there is little likelihood of the Southern states ever recovering to a normal condition. I find little evidence to support these extremely pessimistic contentions.

Based upon the facts outlined in the following paragraphs I believe that income and sales during the coming three-month period will exceed the 1934 levels and it also seems logical to expect an unusually sharp increase in sales in this area over the course of the next six to 12 months.

In this particular analysis, I am going to confine the survey to the South Atlantic and South Central states. In both of these territories, the principal crops are cotton, tobacco, livestock and potatoes. There is also a considerable amount of truck farming, but there are few statistics available on this particular classification. Cotton, tobacco, and livestock are by far the most important, and I shall for the most part focus my analysis on these three factors.

Due to the supply-demand condition prevailing in livestock, it is logical to expect marketings of livestock and its products to continue only slightly below the present favorable level, and it is also logical to expect prices to be maintained near the current high levels. Thus, we can expect income derived from this source to be maintained near the current levels over the next several months, which will represent a marked increase over the corresponding period of last year.

## Cotton Inventories Favorable

Most people, however, are concerned directly with cotton and the prospects for this industry. According to government statistics just released, domestic cotton consumption for the year ending July 31 declined 310,415 bales from the preceding year. Exports declined 2,739,076 bales below last year. Thus, there was a total decline in the movement of American cotton of 3,079,491 bales this season, as compared with the preceding season. Although there was a sharp decline in the production of American cotton due to the AAA and the drought, the decline in consump-

## Georgian's Progress Continues

### Space Buyers:

*We know you are busy, but before you turn this page, please get these facts about Atlanta:*

The Georgian last year gained approximately as much total paid advertising as both the other Atlanta newspapers combined.

Against those gain figures, The Georgian has gained steadily in retail month by month this year. As a matter of fact, the habit of gaining in retail lineage has been maintained for 26 consecutive months.

The Georgian today is very definitely in second place in daily retail lineage. Media Records figures confirm this statement.

### Why This Showing?

The answer is simple. Advertisers, through actual experience, are becoming aware of the fact that today's Georgian reaches more homes in the purchasing power districts of Atlanta than can be reached by any other newspaper—a fact we are prepared to prove to you.

We suggest that you ask our national representatives for detailed information about The Georgian's up-to-date standing before making up your next schedule for Atlanta.

## The Atlanta Georgian

National Representatives: Hearst International Advertising Service, Rodney E. Boone, General Manager

tion was so severe that there was a net decline in all stocks of only 51,529 bales during the year.

These statistics show merely what happened in the past, and it is upon similar statistics that various writers have based their contention that the future of the South is in jeopardy. But these statistics, when correctly read, portray a very favorable outlook. There has been an unusually sharp decline in exports of American cotton, but the consumption of American cotton in foreign countries has held up remarkably well. As a result, the stocks of American cotton held in foreign countries have been reduced drastically and are now nearing an irreducible minimum. Since it is impossible for foreign staples to meet the entire foreign demand for cotton, it will be absolutely necessary for foreign mills to increase their purchases by substantial amounts in the American markets during the next six months. Referring to the domestic situation, it is found that domestic mills and warehouses have also reduced their inventories of raw cotton substantially.

Furthermore, it is found that inventories of finished cotton textiles are relatively low. In view of the favorable outlook for higher purchasing power in this country, one may assume that United States sales of cotton textiles will increase over the next six months. Therefore, the domestic consumption of American cotton will show substantial gains.

In view of these supply-demand statistics, it is logical to expect cotton prices to be sustained near current levels. The Government loan policy may result in raising cotton prices

substantially above those prevailing a year ago. With the increased marketings, therefore, it seems reasonable to expect the income to the cotton producer to increase by very substantial proportions during the 1935-36 season, as compared with the season just closed.

Consumption of American tobacco during the 1934-35 crop year exceeded the new supply by approximately 190,000,000 pounds. According to the Government's latest crop estimate, tobacco production this year will be increased by only about 176,000,000 pounds above the production of last year. In view of the increased purchasing power, it seems that consumption will be increased further during the next year, and thus, stocks are likely to be further reduced. It should be noted that prices received in the latter part of 1934, the heavy marketing season of tobacco, were almost double that of the previous season. Considering the supply-demand statistics mentioned above, it is logical to expect prices during the next season to be slightly higher than those received a year ago.

Keeping these statistics in mind, let us analyze the tobacco situation a little further:

Marketings of tobacco during the last half of 1934 were unusually large. The income received from these marketings was also much higher than the preceding marketing period. The income received in the latter part of 1934 was one of the principal factors responsible for the sharp improvement shown in the retail sales by the Southern districts during recent months. Since the current marketing season is expected to be even better than the

previous one, retail distribution in the tobacco producing area can be expected to resume an upward trend during the last half of 1935 and the early part of 1936.

In conclusion, it seems that over the next six to 12 months we can expect an improvement in sales of even greater proportions than that which was enjoyed during the first part of 1935. As yet, it is impossible to say just how great the improvement will be, but conditions in the South will compare favorably with any other section of the United States.

---

## Going Forward . . .

In step with gains made in the Tennessee Valley, The Chattanooga Times gains . . . 23% in general display advertising over the first seven months of last year, 45% gain in general grocery, 25% in retail grocery, 14% in total advertising . . . the greatest gains in actual lines and in percentage in its territory. Add to that a gain of 16% in retail display. Add also substantial gains in circulation both week-day and Sunday . . . The Chattanooga Times, the leading newspaper in the Tennessee Valley, offers gains in business to advertisers seeking growing markets. Ask us for sales facts.

### The Chattanooga Times

IN THE HEART OF THE  
TENNESSEE VALLEY

KELLY-SMITH COMPANY  
National Advertising  
Representatives

---



The Fall remains the big marketing season in the South, but thousands of farmers have taken up the diversification idea, and truck crops are rotated throughout the growing season.



# Magazine and Radio Expenditures

Special Report Compiled for SALES MANAGEMENT by Advertising Record Company, Chicago

| CLASS  | Product Classifications | NATIONAL MAGAZINES |                     |              |                        | NETWORK RADIO BROADCASTING |                     |              |                        |
|--|-------------------------|--------------------|---------------------|--------------|------------------------|----------------------------|---------------------|--------------|------------------------|
|  |                         | August 1935        | Monthly Totals 1934 | August 1935  | Cumulative Totals 1934 | July 1935                  | Monthly Totals 1934 | July 1935    | Cumulative Totals 1934 |
| 1—Automotive Industry                          |                         | \$ 962,789         | \$ 996,678          | \$ 9,170,886 | \$ 9,382,263           | \$ 214,659                 | \$ 188,387          | \$ 2,331,173 | \$ 2,146,998           |
| 2—Building Materials and Equipment             |                         | 145,675            | 131,459             | 1,658,466    | 1,405,501              | 13,146                     | Nothing             | 152,024      | 83,187                 |
| 3—Cigars, Cigarettes and Tobacco               |                         | 505,347            | 460,542             | 4,038,868    | 3,438,406              | 187,566                    | 93,494              | 2,008,018    | 2,161,675              |
| 4—Clothing and Dry Goods                       |                         | 144,705            | 113,447             | 2,635,841    | 2,082,973              | 15,336                     | 27,025              | 196,901      | 203,135                |
| 5—Confectionery and Soft Drinks                |                         | 264,576            | 226,180             | 1,718,512    | 1,161,852              | 30,586                     | 67,944              | 804,972      | 771,488                |
| 6—Drugs and Toilet Goods                       |                         | 1,428,524          | 1,697,855           | 15,791,367   | 15,277,320             | 1,096,623                  | 921,485             | 9,858,462    | 7,744,516              |
| 7—Financial and Insurance                      |                         | 190,611            | 195,170             | 2,052,583    | 1,661,580              | 29,612                     | 36,121              | 259,604      | 380,485                |
| 8—Foods and Food Beverages                     |                         | 1,038,666          | 1,329,988           | 11,655,968   | 12,704,819             | 896,518                    | 688,131             | 7,847,680    | 6,584,666              |
| 9—Garden and Field                             |                         | 17,450             | 7,917               | 499,671      | 400,649                | Nothing                    | Nothing             | 21,200       | 28,481                 |
| 10a—House Furniture & Furnishings (Electrical) |                         | 37,103             | 127,550             | 2,374,894    | 1,932,678              | 2,875                      | 8,764               | 215,921      | 268,057                |
| 10b—House Furniture & Furnishings (All Other)  |                         | 139,793            | 55,705              | 2,365,769    | 2,231,202              | 22,839                     | 3,071               | 176,805      | 33,322                 |
| 11—Jewelry and Silverware                      |                         | 35,457             | 35,520              | 701,835      | 742,238                | 3,637                      | Nothing             | 29,523       | 11,773                 |
| 12—Lubricants & Petroleum Products & Fuel      |                         | 271,454            | 248,085             | 1,858,218    | 1,592,527              | 311,007                    | 187,775             | 1,926,306    | 1,644,305              |
| 13—Mach., Farm Equip. & Mech. Supp.            |                         | 51,765             | 41,271              | 518,485      | 268,000                | Nothing                    | Nothing             | 8,494        | 15,040                 |
| 14—Office Equipment                            |                         | 40,115             | 70,372              | 770,274      | 661,558                | Nothing                    | Nothing             | 52,719       | 133,856                |
| 15—Paints and Hardware                         |                         | 14,637             | 23,793              | 636,112      | 754,901                | 7,190                      | 5,328               | 136,011      | 124,452                |
| 16—Radios, Phonographs & Mus. Instr.           |                         | 64,498             | 63,743              | 701,168      | 669,354                | 61,906                     | 34,188              | 602,069      | 278,495                |
| 17—Schools & Correspondence Courses            |                         | 167,080            | 142,625             | 1,110,339    | 959,596                | 4,528                      | Nothing             | 27,521       | Nothing                |
| 18—Shoes and Leather Goods                     |                         | 52,253             | 38,574              | 1,000,682    | 891,089                | Nothing                    | Nothing             | 47,449       | Nothing                |
| 19—Soaps and Housekeepers' Supplies            |                         | 421,415            | 438,148             | 4,455,356    | 4,596,910              | 179,798                    | 141,061             | 1,453,624    | 1,199,465              |
| 20—Sporting Goods                              |                         | 182,210            | 179,270             | 1,190,650    | 1,095,991              | Nothing                    | Nothing             | Nothing      | Nothing                |
| 21—Stationery and Publishers                   |                         | 107,301            | 82,324              | 1,240,239    | 1,096,259              | 15,284                     | 26,519              | 229,108      | 185,069                |
| 22—Travel and Hotels                           |                         | 173,966            | 151,630             | 2,840,032    | 2,556,491              | Nothing                    | 3,944               | 46,150       | 84,417                 |
| 23—Wines, Beer and Liquors                     |                         | 266,896            | 221,718             | 2,318,421    | 1,654,026              | 21,530                     | 57,389              | 179,398      | 327,415                |
| 24—Miscellaneous                               |                         | 211,096            | 211,525             | 2,261,789    | 1,958,009              | 4,765                      | 4,084               | 149,864      | 94,629                 |
|  |                         | \$6,935,382        | \$7,291,089         | \$75,566,425 | \$71,176,192           | \$3,119,405                | \$2,494,710         | \$28,760,996 | \$24,504,926           |

Note—The National Magazines checked total 77 publications, 11 weeklies and semi-monthlies, and 66 monthlies. The monthly totals on national magazines are based on August issues for the monthlies, but including *Vogue*. The other weeklies and semi-monthlies are July publications. All figures are based on the one-time or single insertion rate.

Note—The Network Radio Broadcasting figures cover all national or chain broadcasting carried over the networks of the National Broadcasting Company and Columbia Broadcasting System. The figures cover facilities only and do not include talent.

## Shifts in Media Do Affect Cigarette Sales, But —

(Continued from page 224)

Gold, which combined small appropriation with a stop-and-go copy policy, all the companies had sufficient broadcast time and lineage to put over their sales story. Witness your figures in terms of this 'copy' history:

"1. After plenty of appropriation and the 'Shadow' and 'Reach for a Lucky Instead,' Luckies were first in 1930. The momentum plus \$18,000,000 plus the 'wild animal' campaign kept Luckies out in front through 1931 and 1932. The absence of a good copy idea through 1933 showed up in Luckies' drop to third place in 1934 which should be a continued trend if nothing better than the 'Friend in Need' theme can be evolved.

"2. Camel made its comeback after several years of commonplace four-color ads with a striking campaign on a new package and 'freshness.' There was something to sell—something believable in the copy that caused consumers to try Camels in 1931-1932. A year ago Camel advertising appeal flattened out into 'high hat' paid testimonials and with it went their sales, despite the fact that the appropriation was still more than 7 millions. Last year the 'don't get your wind' didn't get the sales either (not for lack of display) because Mr. and Mrs. Consumer believed 'it just 'taint so.' You can lay it on just so thick but after a while even the dumb public senses that the testimonials just aren't true.

And with that comes the reaction in sales. What do you think of Camels?

"3. Chesterfield has been notably consistent in its believable advertising copy plus its good appropriation strategy. They pushed hard on the down grade, holding third place through 1930, 1931, 1932 with a gradually increasing appropriation. The copy was never startling but over a period it won most of the people who rebelled against wild animals, sex appeal, nicotine-soaked champs and the like. Chesterfield used radio, of course. After their first big year on the air, 1932, they climbed into second place in the face of diminished radio appropriations for 1933. They climbed into first place in 1934 with increased appropriations in all media. So what?

"The media boys can build some swell stories and smooth alibis out of your figures. But take it from one who is still a consumer at heart—it's what you say that counts more than where you say it. That is when you have anywhere from \$5,000,000 to \$10,000,000 to pay for the space or time.

"Yours for the believability—if not the truth—in advertising."

Allen B. Sikes, Eastern manager of the Bureau of Advertising of the American Newspaper Publishers Association, believes that the lack of data on the expenditures of the large companies in outdoor, car cards, counter displays and window displays makes it impossible to draw any definite conclusions about media:

"I have been interested in reading the article in your magazine of August 1 entitled 'Just How Do Shifts in Media Affect Cigarette Sales?' The correlation which Miss Arnold finds between leadership in sales on the part of three of the leading brands of cigarettes and leadership from the standpoint of broadcast advertising strikes me as making extremely interesting reading. The conclusions to be drawn from this, however, are very wisely left up in the air—a 'subject deserving further study.'

"However, the statistics given in the article do not begin to show the total amounts of money which these companies spend for advertising (with the possible exception of the radio expenditures).

"From the newspaper position Miss Arnold takes the statistics from Media Records' Blue Book, which are, of course, highly authoritative but which included only, in 1934, 351 newspapers located in 88 large cities. It is a frequent practice for the leading tobacco companies to use all of the more than 1,900 dailies in the country, a practice which, of course, would increase tremendously the amounts of money these companies spend in newspapers over that shown in this particular study. Possibly the same thing is true of the expenditure in magazines, since some of the magazine lists are very widespread.

"No data are included at all for outdoor advertising, in which some of the tobacco companies spend considerable sums of money, and nothing at all is shown for car cards which carry some cigarette advertising. Neither are dealer helps, such as

counter displays, window displays, etc., mentioned.

"If it were possible (and it is not) to get all of these data we would undoubtedly have advertising expenditures which are at least twice those shown in this article. In fact, complete data might even show a considerable change in the ranking of the brands from the standpoint of gross total advertising appropriations.

"It is obvious, of course, that if the total amounts of money spent in advertising, as shown by the figures in this article, are only half those actually spent, then the percentage of the expenditure spent in radio is considerably below even the small percentages which Miss Arnold indicates are spent in that medium.

"It might be interesting to note that in 1932 more money was spent in radio than in any of the years from 1930 to 1934 inclusive. Yet the government figures on cigarette sales show the smallest sales of any of the years studied. Of course, sales of individual brands may possibly have been different from the general cigarette output trend, and once again we are faced with insufficient data.

"I suppose every advertising medium wishes it were possible to arrive at an airtight case in which sales could always be correlated definitely with the use of that particular medium. We have seen the cigarette business grow from 17,964,000,000 cigarettes sold in 1915 to approximately 124,000,000,000 sold in 1934. Most of this growth was made prior to the birth of radio. During these years the executives of the leading tobacco companies have spent—and are continuing to spend—the largest percentage of their advertising money in newspapers. It seems fairly reasonable to believe that their opinion of the relative importance of the various media, as expressed in the cold cash they lay out, is considerably more important as a guide than any attempt at correlation with the incomplete data which any of us 'outsiders' have available."

## New Car Sales Show South on Upward Trail

(Continued from page 239)

mulating, which, in turn, released money of the retailers and allowed them to buy new trucks. It was obviously a directly stimulating influence upon sales of all kinds.

In recent years there has been developing in the South a large truck garden business, requiring trucks for transportation. It is not at all uncommon to see trucks bearing North and South Carolina and Georgia licenses bringing garden stuffs into the New York markets.

One cannot look over these two tables of passenger car and truck sales without seeing the large gains that have taken place since the first half of 1932 in both lines. Such gains could not have occurred in car sales unless there were increased purchasing power, and in truck sales unless there were increased business to make the demand for trucks possible.

SEPTEMBER 1, 1935

## Trained "Ice Men" Now Sell Refrigerators

(Continued from page 205)

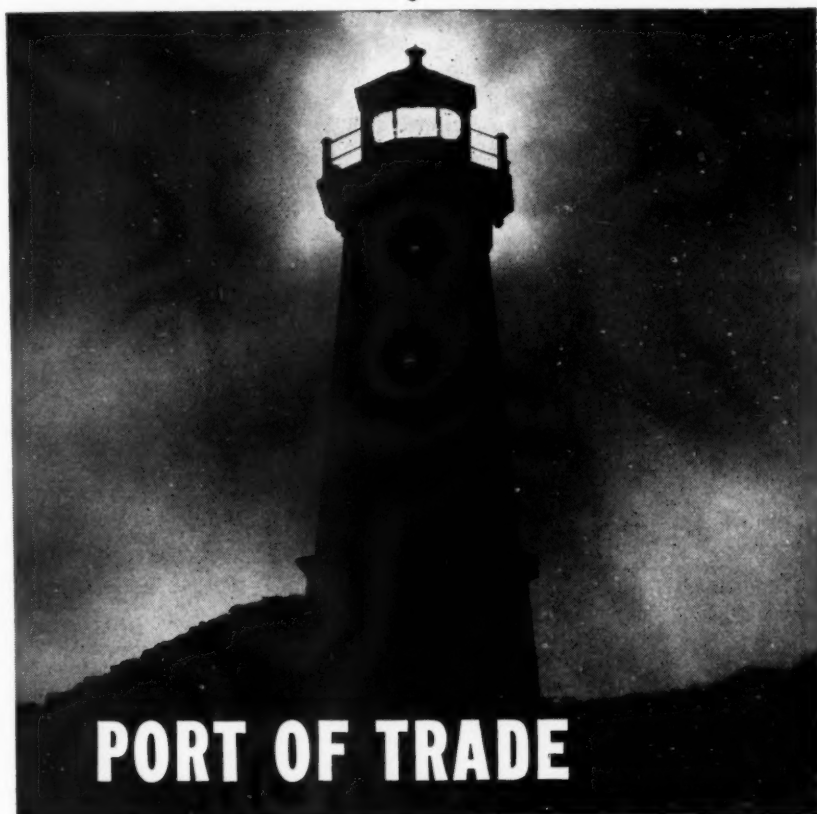
have been developed by company engineers and now are built by several manufacturers such as Standard, Fleetwood Craftsmen, and C. V. Hill.

Every route man gets a split of commission for a lead that can be converted into a sale; full commission for every closure he makes himself.

But greater than that, every sale tends to hold business that might be lost to mechanical refrigeration. Thus a wagon man builds up long-time trade for himself, for the company, and for the industry.

The new, efficient ice refrigerators give the route man a big initial price advantage under mechanical refrigerators—an average 5-to-6-cubic foot box sells for \$50 to \$75. And he can sell a tiny 3-foot box for \$24.75 on an ice-saving basis to meet cheap competition of the \$12-to-\$20 "painted egg crates" in department store basements. Thus the industry equips him with a complete line.

In various parts of the country other ice companies are beginning similar training for lowly wagon men—but men who hold their jobs are not so lowly any more. For these are front-line trench defenders of an industry, once practically defeated, that is now returning to the battle field.



● Only when editorial leadership shines through the fog of complex interests does a magazine become a port of trade. How well Mill & Factory editors have done this job is indicated by the new all time records for *both* circulation and advertising volume set *this* year.

**MILL & FACTORY**  
A CONOVER-MAST PUBLICATION

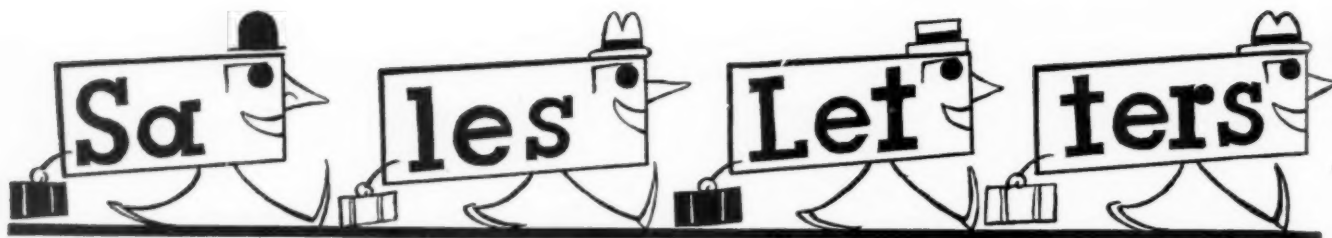
Advertising Offices:

NEW YORK  
205 E. 42nd St.

CHICAGO  
333 N. Michigan Ave.

[243]





BY MAXWELL DROKE

## A Scarred Veteran Harkens to the Coming Generation

I think you will be as interested as I have been in the letters that follow. They are the work of students of the School of Commerce at the University of Wisconsin. I have selected them almost at random from a batch sent me through the kindly cooperation of Robert R. Aurner, Professor of Business Administration.

As you read, bear in mind that these youngsters have, as yet, no background of practical experience. And they are further handicapped by writing about an imaginary product or situation—always a difficult chore. Professor Aurner emphasizes the fact that these are not special letters, written for competition. They are presented in the exact form in which they were written in the classroom. They have



Maxwell Droke

not been "dressed-up" and the errors are student errors.

Frankly, I am surprised and delighted to observe the high standards maintained by these young people. With our commercial schools graduating a small army of youngsters so capably drilled in the fundamentals of business letter writing, it certainly is reasonable to hope that the next few years may see a gratifying improvement in our correspondence departments. And goodness knows, there certainly is ample room for betterment!

My sincere congratulations to these young folks—and to Professor Aurner!

## Here's a Sound Argument for a Branch Bank Manager

Here's one letter that's supposed to be from the manager of a bank's safe deposit department to a prospect:

"Do you realize that although buildings may be constructed of fireproof materials there is no such thing as a fireproof building? Take the case of the Equitable Building in New York City, for example. Hot gases in the elevator enclosure leaped from a small room fire on the second floor to the twenty-third story, causing a blaze no fire department in the world could fight.

"Recognizing this ever-present menace, we have constructed far beneath the street a massive concrete vault, reinforced with huge steel bars, and more than adequately insulated from any conflagration which might sweep the city.

"Here in our massive new vault your money, your bonds, your contracts, your insurance policies, your jewels, and your family heirlooms will be safe. For less

## Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

than a penny a day we guarantee to our patrons the return of an article when it is called for. Fire insurance alone is not enough; the enclosed leaflet clearly proves why.

"Before fire destroys the precious things you would not lose, call at the bank at your early convenience to arrange for the protection of your valuables."

## A Student Does a Good Job for the Service Station

"Good Morning, Mr. Anderson," is the way another scholar starts a letter. The letterhead and signature show it's from an auto service station. It continues:

"Both oil and gas, today? Does your Plymouth need greasing after that trip last week?

"Of course this sounds familiar. Two or three times a week you are used to being recognized, and to receiving service slanted to your individual preferences.

"Now this special attention will be augmented by the improved facilities of the shining new glass and concrete building you have seen in progress the past few weeks.

"Avail yourself of the opportunity for a complete wash and grease job at half price during our grand opening, this coming week! Have your oil drained and changed, tires repaired, fill up the gas tank at the five gleaming new pumps.

"Take advantage of the personal interest Jim, Bill, and Tom, our attendants, take in your welfare. They learn your car's particular needs, and remember what gas and what grade oil you use. If you are hurried, they give whirlwind service; when you run out of gas or get a flat tire, they come to the rescue at no additional charge, wherever you may be in Madison.

"It's personal attention that counts . . . and in our new building on the old corner, awaits more expert service than ever. Try the special offers during the grand opening."

## This Is for Women Only, But Men May Admire the Approach

The following discourse upon feminine foundation garments may be a trifle out of the usual line of stuff in this department. The student-writer, however, flips off with a deft twist of the wrist, a cunning set of phrases to ensnare female longings.

"Bringing back the curves is a grand idea, we admit, but the smartly trim, modern woman makes sure her curves are 'the loveliest distance between two points.'

"High-hatting the bulges and bumps of old, she slips into a feather-weight Vassar-ette Girdle that nips in at the waistline and hugs the form, molding the curves to the newest streamline fashion.

"She fastens on the Vassar-ette Bandeau that goes with the Girdle, for the uplift effect so desired nowadays.

"But the modern woman wants more than style—she demands comfort and wear, too. And Vassar-ette Girdles and Bandeaux have them. Both are made of a light weight fabric, with its own 'cooling system' that admits air freely. Restraining control for the figure is built into the fabric itself—no hooks or bones are necessary.

"And—most welcome news for warm weather, perhaps—Girdles and Bandeaux are washable. Tub them, scrub them—they snap back into shape again as soon as they dry.

"For cool comfort and fashion—try a Vassar-ette Girdle and Bandeau. Drop into the shop today and get yours before warm weather comes."

## An Amateur Shows How to Go After That Overdue Bill

Donning the disguise of collection manager for a wholesale company, a student sends out this "please remit" epistle:

"A glance over our past letters of collection written to delinquent customers reveals the fact that you never before have been placed in the category of those who do not pay their bills on time. In fact, our files prove that you have always been a gilt edge credit risk. Our salesmen in your territory have confirmed this opinion.

"So, on the basis of your present long overdue bill of \$158 for supplies sent August 5, we naturally deduce that you are in some financial difficulty at the moment. Won't you let us know what these circumstances are so that we may have full cooperation on the matter? Or better still, perhaps you have weathered the storm successfully and can send us a check immediately so that we can close up the account and once more resume our satisfactory business relations with you.

"We are certain, in view of your past record, a sound and dependable one of five years' standing, that you will desire to comply without delay to our request. As a prudent business man, you would not knowingly impair your excellent reputation in your community. Our past two letters have elicited no response from you, yet because of your past credit standing, our firm has granted you extremely lenient terms.

"It is now November and the bill has run over two months. So please send in your check before November 15 or write us about the trouble confronting you! An immediate response will do wonders in restoring your credit to its former firm basis."

## "End Secrecy" Plan For Sales Policies Has Group Backing

Sales policies of manufacturers have worried independent hardware retailers and jobbers—particularly the policies of manufacturers who sell chains. Now manufacturers are forming The American Institute of Fair Competition, Inc., to publish their selling policies so that all may see. The slogan is "End secrecy." Originators plan to include manufacturers in many industries, but center their efforts on hardware lines first.

Under the new Institute's set-up a manufacturer "subscriber" puts his selling policy in writing and files it with the Institute for distribution to wholesalers, retail associations, etc. He is then licensed to apply Institute labels on his shipping containers guaranteeing to jobbers and retailers that "all sales under this license have been according to public sales policy on file with The American Institute of Fair Competition, Inc."

For this privilege he pays the Institute \$100 a year for sales up to \$250,000; \$200, up to \$500,000; \$300, up to \$1,000,000, and \$400 above that.

The Institute does not dictate what his sales policy shall be. It permits him to change that policy at will—so long as every change is filed for publication. All it insists upon is that the policy be declared and maintained so long as the maker is a subscriber.

In case of violation, the Institute suspends the offender's right to use its guaranty label. Whether it can bring any action for breach of contract is another point not yet declared.

The Institute hopes that its blue-and-yellow label will become a buy sign for jobbers and retailers—that its moral effect will build business for subscribers and help clear the air in the hardware industry.

Officers are: President, B. M. Hiatt, formerly sales manager of Irwin Auger Bit Company; vice-president, R. F. Ohmer, of Ohmer Register Company; secretary, M. V. Egan. Headquarters are in the Mutual Home Building, Dayton, Ohio.



"No Secrecy" Label: The new Institute of Fair Competition hopes retailers will favor goods that bear it.

SEPTEMBER 1, 1935



## ACTUAL PHOTOGRAPH\* OF A BUSINESS MAN FLYING—

**N**O, he's never been up in an airplane. But in this picture he is flying—flying in the face of facts.

At this moment he is costing his stockholders many thousands of dollars, for he is making a mistake. He is approving a new item in the line of products. The salesmen at the convention were enthusiastic about the sample. The men who designed it admit it is perfect! The boss even "took a swing 'round the circle" and talked to some friends of his about it. But it is going to cost the company plenty to find out over a period of time that this product is hard to sell at a profit.

This new product, its size, color, design, price, is just a "hunch." An expensive hunch. For the decision is based upon faulty facts. Needless, too. For our thousands of trained research workers within two weeks could have interviewed buyers of this type of product in practically every city in the country. We could then have interpreted these facts and shown this man confidentially just what changes would make the new item easy and profitable to sell.

As one of the oldest and most experienced outside organizations in this line, we do this sort of work continuously for those who have learned that no decisions are better than the facts behind them—and that fact-gathering and interpretation is a job for an outside organization that knows how.

\* Well, at least it is an artist's model who looks like a business man.

### FREE CHECK LIST

Send for list of 81 types of problem-solving research possible to use in the business man's daily routine, to make safer 81 kinds of decisions his job constantly calls for. No obligation. It will help any business man determine if he is unknowingly overlooking safety factors which other men in his line employ.

## MARKET RESEARCH CORPORATION OF AMERICA

Formerly Percival White, Inc.,  
and Arnold Research Service

Rockefeller Center, N. Y. City  
120 S. La Salle St., Chicago

*Prevents those wrong decisions, based upon  
faulty facts, which cost you time and money*

[ 245 ]



# MEDIA and AGENCIES



## Saying It with Gas

While it is a matter of record that the general public had been looking at Neon signs for some ten years before the World's Fair in Chicago, it took this big show effectively to point the way to the application of gaseous lighting to architectural lighting and color decorations.

Marked progress in spectacular lighting and electrical advertising came with the perfection of luminous tubing and the combining of Neon with incandescent lamps.

Now, for those not familiar with such signs, the tubing is used for border, for illustrations such as a mammoth can or package and for outlining large letters. The lamps are employed as a rule where flasher effects are required.

There are four kinds of gas: Neon, Krypton, Helium and Xenon. Neon is used alone to produce the familiar orange red color; Helium alone gives a pinkish white and in a yellow tube shows as gold. Krypton, Xenon and Mercury Vapor are combined to give the luminous blue color

so often seen. In a yellow tube this mixture shows green.

To Federal Electric Company, Inc., goes a great deal of credit for the marked progress made in using Neon lighting in an architectural way. For some time previous to the Fair opening, Federal Electric officials had been experimenting with Neon lighting in just this sort of manner. Models of various sizes and types had been erected in their factory at 8700 South State Street, Chicago. Many troublesome problems had been conquered before Major Lennox R. Lohr and Clarence Farrier—then works manager for the Fair—called and said that in their opinion Neon lighting had a place in the Fair they were visioning.

The pioneer installation was made on the office building of the A. O. Smith Company, Milwaukee, Wisconsin. In the normal course of events, it might have been possible to work out in a year or so many of the technical problems that this installation presented. But, under the constant and insistent pressure from Fair officials, these problems were whipped into line in several months.

As a result of this successful experiment, Federal was given the colorful Hall of Science to light. Some 2,780 feet of tubing were used on that job, making it the largest single Neon job attempted up to that time. The installation was a success. Then followed installations on and in such buildings as the Federal Building, Electrical Building, Social Science Hall, General Exhibits Group, Dairy Building, Italian Building and all main entrances. Some 40,000 feet of tubing were used in these jobs, slightly less than eight miles.



W. D. KRUPKE  
Federal's v.p. in  
charge of sales

All this time, Federal was quietly preparing itself on another business front. Surveys were being made constantly on the design and effectiveness of the electrical sign at the point of sale because the company felt that the time was coming when these signs would again play a most important part in their business. So, when the Fair finally rang down the curtain in 1934, the company was ready to go. Its business since then has proved that there is no substitute for preparedness.

According to W. D. Krupke, vice-president in charge of sales, the upswing in business for his firm is *here*, and not around the corner. And the outlook for the remainder of the year from Federal's point of view, he asserts, is unusually bright.

Explaining the daily increase in orders for point-of-sale signs, Mr. Krupke said: "Experience has taught the local merchant and the national advertiser having local outlets that electrical advertising has its own place in the advertising sun. It displaces no other form of advertising, but neither does any other form of advertising displace it. They have learned from experience that the time to have their store properly identified is when the shopper is out and in a buying mood. Not long ago we sold a very large installation contract to Standard Oil of Indiana. Through the combination of newspapers and electrical display this advertiser's local coverage was so intensified that they



*Unless you, too,* are selling "four out of five" in Baltimore, you can "go places" in this market with News-Post Advertising. For The News-Post, with its quickened tempo of news, editorials, features, comics, sports, carries your story to the quick-thinking, quick-acting, quick-buying people of present-day Baltimore. And gives you maximum coverage at minimum cost—170,062 (or 84.6%) of the families in Baltimore's ABC city zone—plus 30,997 families in the surrounding territory—all for 35c a line. Ask your advertising manager to recheck Baltimore before he builds your next schedule.

## BALTIMORE NEWS-POST

*Baltimore's Outstanding Newspaper*

Represented Nationally by Hearst International Advertising Service,  
Rodney E. Boone, General Manager.

*On Sundays*

The Baltimore Sunday American has the largest circulation in the South . . . 229,832, and still going up.

increased their newspaper spendings by 10%."

Some of the firms whose orders for point-of-sale signs have resulted in Federal speeding up production are: Ford Motors, Pontiac, Chi-Namel, Miller Brewing, Selz Shoe, Coca-Cola, Anheuser-Busch, Goodyear, Montgomery Ward, Phillips Petroleum, Standard Oil, Hiram Walker, Chevrolet, and Sears, Roebuck.

In what field Neon lighting will next make itself felt, is hard to say. Some one has ventured that it will be in lighting the home. Mr. Krupke says that the cost is a bit too high at present for many such installations.

But he points out that at the time of the Columbian Exposition, in 1893, incandescent lamps were also too expensive for general home use. He adds that, since it was first introduced, the cost of gaseous tubing has been decreased by 75%, due principally to the greater efficiency in its manufacture.

Do not be surprised, therefore, if in the not too distant future, homes are lighted by Neon lights.

### Kudner Forms New Agency

Arthur Kudner has resigned as president and treasurer of Erwin, Wasey & Co., effective September 30 when he will launch his own agency under the name of Arthur Kudner, Inc. The new Kudner agency will be located on the 32nd floor of the new International Building, Rockefeller Center, New York. Among the present Erwin, Wasey executives who will be associated with Mr. Kudner will be Edward J. Owens, J. H. S. Ellis, Charles F. Gannon, S. D. Fuson, Graham Starr, S. R. Kudner, C. B. Goshorn, Rand J. Dustman, R. J. Copeland and a number of others.

Accounts to be handled by the Kudner agency include: Goodyear Tire & Rubber Company, General Motors institutional, Buick, Fisher Body, National Distillers, Standard Air Conditioning, Anchor Lines, True Story and several others.

The Kudner agency is opening a service branch office in the New Center Building, Detroit, Michigan.

### 64 Year Old Publication Seeks Ads for First Time

The New York *Law Journal*, published since 1871, is the leading daily paper of the legal profession, and the largest of its kind in the world. Since its inception it has been under the same ownership, and has never missed an issue. Now for the first time it is going after general display advertising, under the direction of James M. Muldoon, sales promotion and advertising manager, formerly with the New York *American* and several other newspapers.

A promotion piece simulating an EXTRA! of pages 1 and 2 of the newspaper, gets over the buying power of the lawyer in an amusing but effective way. It quotes the *Literary Digest* poll in showing that the legal profession is the wettest of all. It lists a number of its subscribers among legal firms, with the note, "The BBDO's, Ayer's and L & T's, etc., of the Law." A number of dummy advertisements have footnotes addressed to manufacturers or agency executives. For example, one ad reads, "More contracts are signed with Waterman's pens than any other make." Following that is a note to John H. Miller, Frank Presbrey Company, reading, "How

about that schedule? Mr. F. D. Waterman, Jr., will agree, we feel sure."

The promotion piece adds the following light touch, "Candidly, other publications will continue to surpass in cosmetics, Gotham full length hose, and corset lineage. We don't believe we could sell lingerie, dresses or perfumes, if we tried. *Male business* is what we're after."

### Chicago Tribune Lifts Its Face

A fortnight ago the Chicago *Tribune* presented a new type face to its readers. Named Regal, and different from that in use by any other newspaper, it was the choice of a majority vote by *Tribune* employees, and is said to be easier to read by both old and young. It is a 7-point modern Roman on an 8½ point slug. The *Tribune's*

old face was 6¼ points on an 8-point slug. No changes have been made in the faces of the *Tribune's* headline type.

Regal was developed by the Intertype Company and the cost to the *Tribune* of making the change was more than \$10,000. The job involved six weeks advance setting of syndicate material before readers saw the new type.

### Big Figures These

*Town & Country* employed the Retail Credit Company to make a detailed survey of the magazine's 223 new three-year subscriptions which were secured recently by 10 Philadelphia debutante members of the Junior League. The evidence of wealth and bounteous living disclosed by the survey (Continued on page 249)

# Why WASTE It?



A 1-quart measure holds just a quart — and you can't pour any more in without

— WASTE !

Advertising in Omaha is something like that. Here, one newspaper reaches practically every home. By concentrating your advertising messages in this one publication, you sell the entire Omaha market

— without WASTE !

The World-Herald provides practically COMPLETE coverage of Omaha. It is delivered by carrier boy to 86% of the homes — and with dealer sales, etc., has an approximate total Omaha coverage of 97.6%!

And when any newspaper can give you 97% coverage of a market . . . ALONE . . . effectively . . . at one low cost — why not concentrate in that one publication?

For over 25 years the World-Herald has been FIRST in city and total circulation . . . FIRST in local, general and classified advertising . . . FIRST in news features . . . FIRST in advertising results.

And this leadership is steadily INCREASING !

# O M A H A WORLD HERALD

CIRCULATION: Daily, 126,155      Sunday, 123,512 (July)  
O'MARA & ORMSBEE, Inc., National Advertising Representatives



## Read What Leaders Think of the New Deal's Legislative Program

Publishers, editors, bankers,  
and advertising men revealed  
as averse to present legisla-  
tion.

The High Cost of Bad Research  
by Kenneth Laird, Vice-Presi-  
dent, charge of advertising,  
Western Company

The Railroads Needs Research  
by J. R. Turney, Director  
Transportation Service, Fed-  
eral Coordinator of Transpor-  
tation

Canadian Grade Labeling and  
Market Research  
by Henry King, Cockfield,  
Brown & Co., Ltd.

These and other articles of  
vital interest to business ex-  
ecutives appear in the Sep-  
tember issue of MARKET  
RESEARCH.

To insure receiving your  
copy fill in the coupon and  
mail at once.

## MARKET RESEARCH

Edited by Percival White

MARKET RESEARCH,  
Rockefeller Center, New York

Please enter my subscription for one  
year for MARKET RESEARCH.

I enclose \$1..... Bill me for \$1.....  
(Foreign \$2)

Name .....

Company .....

Street .....

City ..... State.....

## Liggett Makes Profit of \$218,153 on \$1,177,327 Advertising Allowances

(Continued from page 206)

General Drug Co., 15%; 2% cash; \$4,500  
per year. (1)  
Larned Corporation; 15%; 2% cash; 10%  
purchases. (1)  
Scholl Manufacturing Co., 15%; 2% cash;  
5% purchases except for stores in which  
supplier has a demonstrator; 5% sales  
except for stores in which supplier has a  
demonstrator; 2 months of year 6% of  
sales instead of 5%. (4)  
Carbona Products Corporation, minimum  
15%, maximum 20%; 2% cash; \$750  
per month when supplier's products are  
advertised. (2)

### Fancy Department

Affiliated Sales, Inc., minimum 15%, maxi-  
mum 16 2/3%; 2% on regular items, net  
on 10-cent items cash; 10% purchases  
after excise tax of 10%. (1)  
American Safety Razor Corporation, mini-  
mum net, maximum 15%; 10% in free  
goods on certain items; 2% cash; 10%  
purchases except on special deals. (1)  
American Thermos Bottle Co., minimum  
net, maximum 40 and 10%; 2% cash; dif-  
ference between 40 and 10 and 2 as billed  
and 40 and 10 and 5 and 5 and 2, items  
billed net not included. (1)  
Harriet Hubbard Ayer, 33 1/3 and 15%;  
2% cash; trade discount of 15% is com-  
pensation for displays. (1)  
Bost Tooth Paste Corporation, 15% on  
regular items; 10 cent items, net; 2%  
cash; 10% purchases. (1)  
Bourjois Sales Corporation, minimum  
33 1/3%, maximum 33 1/3% and 10%; ad-  
ditional 10% on bulk perfume; 1% cash;  
trade discount of 10% is compensation  
for displays. (1)  
Colgate-Palmolive-Peet Co., net; 2% cash;  
\$4,000 for first 6 months of 1935 for news-  
paper advertising. (1)  
Conti Products Corporation, minimum  
10%, maximum 30 and 10%; 1 dozen free  
with gross on certain items; 1% cash,  
10% purchases of Castile soap and Cas-  
tile Shampoo. (1)  
Coty, Inc., minimum 33 1/3% and 5%,  
maximum 33 1/3 and 10 and 5%; 6 free  
with gross on certain items; 1% cash;  
5% purchases. (1)  
Deaton Co., 10%; 8% cash; 10% pur-  
chases. (1)  
Gillette Safety Razor Corporation, net;  
2% cash; 10% purchases; 10% purchases  
on blades (standard brands) payable in  
merchandise; 15% purchases of Probak  
Jr. blades payable in merchandise. (6)  
Glazo Co., 15%; 2% cash; 5% purchases.  
(1)  
Dorothy Gray, 33 1/3 and 5%; 2% cash;  
5% purchases if they total \$1,250 or more  
during 6-month period. (1)  
Houbigant Sales Corporation, 7 1/2%; 1%  
cash; 10% purchases if yearly purchases  
total or exceed \$25,000. (1)  
Hudnut Sales Corporation, 5%; 1% cash;  
5% purchases on list price. (1)  
Johnson & Johnson, net; 2% cash; \$6  
gross on purchases of Tek toothbrushes,  
5% purchases of baby products. (1)  
Kolynos Co., 15% on regular items, 10-cent  
items, net; 2% cash; 10% purchases. (1)  
Kotex Co., net; 2% cash; \$1,000 per month  
for newspaper advertising, 10% purchases  
Kotex and Kleenex.  
Lamont Corliss & Co., 15 and 10%; 1%  
cash; \$350 per month for displaying  
Pond's products. (1)  
Lever Bros., minimum 10%, maximum  
15%; free goods, Lux soap, 1 case with  
4 cases; Lux flakes, 1 case with 10 cases;  
Lifebuoy soap, 1 case with 10 cases; 2%  
cash; 50 cents per store per month. (1)  
Luxor, Ltd., 5%; free goods, 2 with 12;  
2% cash; 5% of purchases if they total or  
exceed \$1,000 for year.  
Mennen Co., 15% on regular items, 10-cent  
items net; 2% cash; 5% purchases before  
taxes have been added. (1)  
Modess Corporation, net, 3% on carload  
lots; 2% cash; 10% purchases, \$1,000  
per quarter. (2)  
Ferd. Mulhens, Inc., 33 1/3 and 5 and 5%;  
1% cash; 5% trade discount is com-  
pensation for displays. (1)  
McKesson & Robbins, Inc., minimum net,  
maximum 15%; min. net, maximum 2%  
cash; 10% purchases Calox tooth powder  
and Albolene. (1)  
Pacquin Laboratories, minimum 16 2/3%,

maximum 33 1/3 and 5%; 2% cash; 2  
free with dozen purchases of hand cream  
except on 10-cent size. (1)  
Chas. H. Phillips Chemical Co., 15%; 2%  
cash; \$21,250 per year. (1)  
Pinaud, Inc., 33 1/3% and 7 1/2%; 1% cash;  
10 and 10% of purchases. (1)  
Prophylactic Brush Co., minimum net,  
maximum 25%; 1% cash; 10% purchases  
Prophylactic tooth brushes; 5% pur-  
chases Stranzit hair brushes; 1 Prophyl-  
actic tooth brush free with 12 purchases.  
(1)  
Rieser Co., minimum net, maximum  
16 1/3%; 2% cash; 10% purchases large  
Waveset and shampoo. (1)  
Segal Safety Razor Corporation, 10%; 2%  
cash; 8% purchases of blades. (1)  
Frederick Stearns & Co., minimum net,  
maximum 15%; 2% cash; 10% purchases  
of Astringol; 10% purchases Zymole  
Trokeys 25-cent size; 5% on 10-cent size.  
(1)  
Twinplex Sales Co., 33 1/3% and 20%; 2%  
cash; 5% sales. (1)  
Northam Warren Sales Corporation, mini-  
mum 15%, maximum 25%; 2% cash; 5%  
purchases. (1)  
Western Co., minimum 33 1/3%, maximum  
33 1/3 and 10%; 1% cash; 10% all pur-  
chases Dr. West's tooth brushes; 10%  
purchases of Dr. West's economy tooth  
brushes (shown on invoices as trade dis-  
count); 5% retail sales of waterproof  
tooth brushes. (1)  
Worcester Salt Co., minimum net, maxi-  
mum 17 1/2%; 2% cash; 10% purchases  
tooth paste. (1)  
Yardley & Co., Ltd., 33 1/3 and 5%; 1%  
cash; 5% purchase. (1)  
Marcus Lesoine, 16 2/3%; 2% cash; actual  
cost of advertisements placed in news-  
papers. (1)  
Sternau, minimum net, maximum 33 1/3  
and 20%; 1% cash; actual cost of ad-  
vertisements placed in newspapers. (1)  
L. T. Piver, 15%; 1% cash; actual cost of  
advertisements placed in newspapers. (1)  
Lady Esther, minimum 15%, maximum  
37 1/2%; minimum net, maximum 2%  
cash; 10% of purchases for newspaper  
advertising on those items advertised.  
(1)  
Wells & Richardson (Diamond Dyes);  
14%; 5% cash; 1 1/2 dozen free with a  
gross purchased to July 8, 1935; 4 dozen  
free with a gross July 8, on. (1)  
Chanel, Inc., 33 1/3 and 5 and 5%; net;  
extra 5% trade discount when purchases  
for 3 months exceed \$300. (1)  
Campana Sales Co., minimum 15%, maxi-  
mum 20 and 10%; 2% cash; during peri-  
od Feb. 15, 1935, to April 12, 1935, \$6  
per gross on every purchase of 1 gross  
or more at one time, of deal consisting  
of 60-cent size of Italian Balm and home  
dispenser; during period April 15, 1935,  
to July 31, 1935, \$3 on every purchase of  
12 deals or more at 1 time of deal con-  
sisting of Dreskin and Italian Balm. (2)

### Standard Cap & Seal Corp. Breaks National Campaign

Standard Cap & Seal Corporation en-  
ters the arena of national advertising  
for the first time with a series on its  
"welded wire hood seal" for milk bottles.  
The ads will run in *Women's Home Com-  
panion*, *Good Housekeeping*, *Ladies Home  
Journal* and *Parents Magazine*, with a sup-  
plementary trade paper campaign to dairy-  
men. The latter will be supplied with  
newspaper mats, wagon cards and folders  
to reiterate the theme, "Milk is kept pure  
by the sanitary, tamperproof Standard welded  
wire hood seal." Geyer, Cornell and  
Newell handle the account.

Although Standard is currently disposing  
of some 500 million bottle caps a year, the  
sales map is spotty. This drive's object is  
to fill in the distribution gaps; to create  
consumer demand; and to help dairymen  
who use Standard caps.

SALES MANAGEMENT

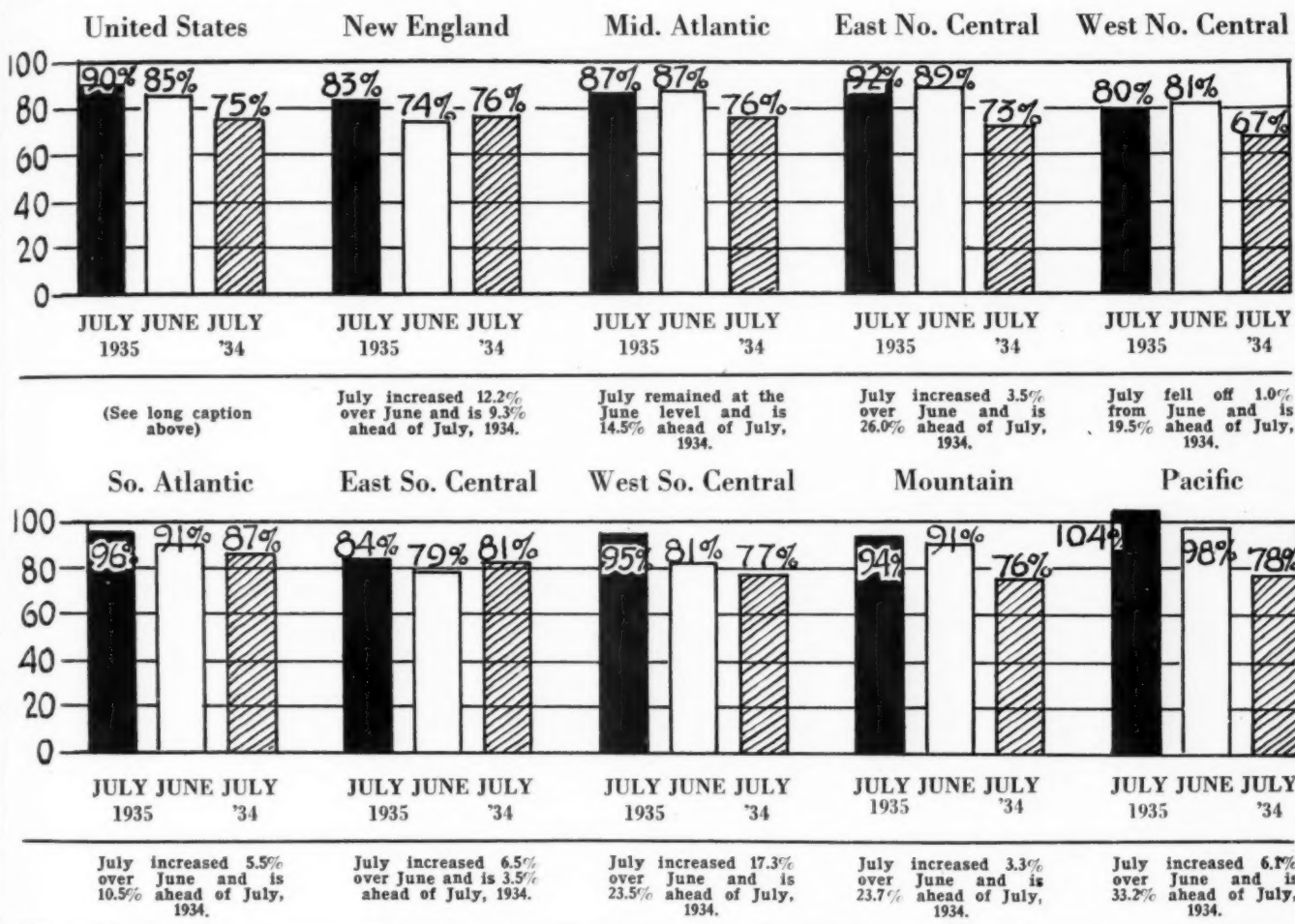
# Sales Management's Sectional Index of General Business

(By Geographical Census Divisions. Monthly Average 1923-1925 = 100)

BY RAY B. PRESCOTT

(The state of business expressed in terms of percentage approach toward the "normal" average of the years 1923-1925. The horizontal bar represents normal. The designation of districts follows the standard breakdown used by the Bureau of Census. The index numbers used, as determined by Ray B. Prescott, are a weighted composite of bank debits and retail sales.)

**UNITED STATES:**—General business in the country moved ahead 6.0% over June and 20.0% over July, 1934. Work programs, calling for the spending of some of the allotment money of the four billion dollar fund, are going ahead in the industrial sections of the country and this spending is commencing to be felt. This, along with the marked improvement in general buying, no doubt accounts for this forward movement. As previously stated in an earlier report, the dammed-up buying in this country is staggering, and it only awaits reasonable confidence in the future to open the flood gates. The necessary confidence seems to have been given by the decisions of the Supreme Court several months ago and it is aided by the much more favorable attitude of Congress not to be led around by the nose. The strong upward movement of the stock market also reflects this improved confidence.



## Media and Agencies

(Continued from page 247)

vey makes one wonder what these families had before the depression. Read these figures and then cease wondering why "soak the rich" tax proposals meet with popular support. The average wealth of the 233 families is \$2,598,820; the average annual income is \$83,139; the average value of their homes is \$71,354, and they own 481 motor cars, with 63 of them owning three or more cars.

### Gazette Grows—for 90 Years

Ninety years of age is not a frequent birthday for a newspaper. Few in the nation are a century old. There is none in Wisconsin that old. But the Janesville *Gazette* celebrated, on August 14, its 90th anniversary,—and this in a relatively small

city, and with intense competition from neighboring large cities, is an achievement. Two men produced the first copy of the *Gazette* 90 years ago. Today there are 116 workers on the active payroll staff and altogether 581 people who in part or full time, in one way or another, help to make and deliver the *Gazette*. It is one of the most aggressive and progressive of small city papers in going after national business, and has carved out for itself a good-sized chunk of the rich Southern Wisconsin territory in which it has made Chicago and Milwaukee papers take an "also-ran" position.

### Casey to Hearst

Harry A. Casey, for the last 17 years in promotion work with the Scripps-Howard Newspapers, during much of that period as promotion manager, and prior to that advertising manager of the Atlanta

*Georgian-American*, joins the promotion department of the General Offices of Hearst Newspapers, today.

### Saturday Evening Post Beams

With circulation at 3,000,000 for the issue of August 24, the *Saturday Evening Post* points out that fact to readers of newspapers in 14 cities from the Atlantic to the Pacific and in a list of business magazines. The subscription list has grown during the past two years by more than 300,000.

### In Magazine Offices

Ralph McA. Ingersoll, managing editor of *Fortune*, has been appointed general manager of Time, Inc., and all subsidiaries, according to an announcement by Henry R. Luce, president of the organization. Mr. Ingersoll was graduated from Yale in 1921



IN PHILADELPHIA



All the luxuries and comforts of modern living... a gracious hospitality famed the world over... and at the very hub of Philadelphia's social and commercial life. Theatres, shops, sports, transportation and your appointments but a step away.

Air Conditioned Restaurant  
Rates as Low as \$3.50

**BELLEVUE  
STRATFORD**

One of the World's Great Hotels  
CLAUDE H. BENNETT, General Manager

## ... LEARN Advertising AT HOME

EVERY man and woman in business should take this course. Why? Because it enables you to think intelligently and accurately on advertising problems. Advertising is an interesting study and prepares you to write more effective letters; to acquire a larger vocabulary; to comprehend the sales and merchandising problems of a business, and to be definitely in a position to recommend business development ideas.

Learning advertising at home is the most satisfactory way of acquiring the facts and fundamentals of this profession. Too often in a class room students forget what the instructor said last week and last month. Talking about advertising problems won't help nearly as much as THINKING THEM THRU—and this can best be done in the quiet of your own home. The Vincent Edwards Course gives you the data on paper, which you have for lifetime reference.

Every step in advertising is worked out for you—it is easily the most authoritative—the most interesting—the most complete course available.

Write today for free, explanatory booklet on your company letterhead, and state your position.

**VINCENT EDWARDS  
ADVERTISING COURSE**

342 Madison Ave. New York City

and worked as a mining engineer before starting to wield a pen.

Effective January 1, 1936, the E. Katz Special Agency will handle the national representation for the *Pacific Rural Press* of San Francisco, except on the Coast, and, effective immediately, the Katz group will represent the *Pacific Rural Press* in a special merchandising plan in connection with its Homecraft Institutes.

L. R. Gurley has rejoined the Simmons-Boardman Publishing Company in the Chicago office. From 1924 to 1929 he served as an associate editor of *Railway Age* and *Railway Mechanical Engineer*.

## Radio

According to a survey by the *Christian Science Monitor*, 117 of the 640 U. S. radio stations are now fully or partially owned by newspaper interests. This may account for the rapid growth in news broadcasting. United Press and International News Service report approximately 75 radio clients; Transradio Press, 250.

The Chicago *Tribune* recently used radio (over its owned station WGN) to get new employees for its telephone ad-taking staff. Fifteen girls who had been picked from 800 original entries presented their voices over the radio in an evening contest. From that number six were chosen by judges in an adjoining studio room. Then the six, whose identities were concealed under assumed names, again were introduced to radio listeners and the latter, by telephone calls and postals mailed to the *Tribune*, helped pick the three winners.

WOR reports a 70% increase for the months of June and July, 1935, over the same period last year—and a 22% increase in the number of Springtime sponsors who continued broadcasting through the hot days.

## Among the Agencies

The firm of Carroll Dean Murphy has been amalgamated with Erwin, Wasey & Company, Ltd., Chicago. Mr. Murphy, the president and treasurer of his organization since 1917, becomes vice-president and head of plans and copy of Erwin, Wasey & Company, Chicago.

Frank Irving Fletcher has returned to his old love—free lance copy writing—and has disposed of his interest in Fletcher & Ellis, Inc. Sherman K. Ellis has been elected president, with C. E. Staudinger of the New York office, and Richard Barrett, manager of the Chicago office, vice-presidents.

The 34-year old H. E. Lesan Advertising Agency becomes today the Mackay-Spaullding Company, Inc.

Notable account changes include: Pinaud, Inc., to Lord & Thomas, New York... Fortune Shoe and Sky rider Shoe Divisions of the General Shoe Corporation, Nashville, Tennessee to Badger and Browning & Hersey, Inc. ... West Disinfectant Company to Al Paul Lefton Company... Piso Company, Warren, Pennsylvania, to Aitkin-Kynett Company... H. A. Douglas Manufacturing Company, Bronson, Michigan, to Holden, Graham & Clark, Inc., Detroit (until last week Holden, McKinney & Clark, Inc.)... A. E. Staley Manufacturing Company, Decatur, Illinois, to Gardner Advertising Company, St. Louis office.

William R. Baker, Jr., and Robert E. Lusk have been elected vice-presidents of Benton & Bowles, Inc. Both men served as representatives on General Foods Corporation accounts. For the fourth time in the six years Benton & Bowles have been in business they have moved into larger offices and now occupy the entire eighth and ninth floors of 444 Madison Avenue, New York.

*To have been in  
Europe and not  
to have seen Paris...*

or to have been in Chicago and not to have savored the very sheen of fine living at the largest of the world's hotels... THE GREAT STEVENS! Two great misses.

The new beautiful swift automobiles! Do you like them? And the new prices?

Here, too, at THE GREAT STEVENS modern operation has created multitudinous new finesses in living!

Living is "Streamlined" at THE STEVENS! And, from now on, new era prices prevail. Rooms with bath from \$2.50.

**THE STEVENS  
CHICAGO**

WORLD'S LARGEST HOTEL

## T i p s



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

### Columbia Maps Day and Night Areas for All Stations

In its third study on listening areas, the Columbia Broadcasting System has presented for the first time in radio, separate maps of night-time listening and day-time listening, plotted individually for each of the 97 CBS stations. Every advertiser knows what a difference exists between day-time and night-time coverage of the same station. With many stations doubling their day-time power to expand their day-time primary areas, and all stations utilizing to the full the long range of the night skywaves, listening areas are not constant. CBS has undertaken to chart the day and night difference, basing its maps upon two factors: (1) 400,000 requests for no-cash-value souvenirs offered during one week in 60-second announcements by local announcers of every CBS station; and (2) a special audience audit of 300,000 homes, made by Price, Waterhouse & Co., to determine the regular station listening audience. The souvenirs offered in day-time announcements differed from those offered at night, and in the national computation of returns that followed, the 400,000 requests are offered as an extremely conservative and fair basis for the study, since their number was not influenced by the build-up of continued advertising, publicity, or sustained length of program such as would occur in regular commercial broadcasts. In many instances the announcements were sandwiched in between program changes, with much less than the 60-second time utilized.

CBS has consistently rejected the field-strength method of gauging station effectiveness for the advertiser, and, along with it, the cumulative mail method. Reasons why, and in favor of the CBS method of listener response to specific announcements plus field surveys of listener habits, are given in some detail in the preliminary pages of the study. So far as the advertiser is concerned, the effectiveness of the method will best be determined by analysis of the many pages of maps, with, if possible, radio advertising results data from his own files. One instance is cited in the study, that of the Hecker H-O Bobby Benson audience, in which returns were found to

### SALES CONTESTS

#### Planning and Merchandising

Write for our 60-page Merchandise Prize Catalogue, and brochure, "Information on Sales Contest Operation."

SALES CONTESTS, INC.

10th Floor American Bldg., Dayton, O.

be remarkably similar to the CBS county gradations.

Maps are shown for each basic and supplementary station, with both day-time and night-time areas indicated by counties in four colors ranging from "intense" to "occasional" response. By combining the four colors into two levels of block relief, the maps give a visual "high" and "low" in county radio ownership as well as response, being based throughout on the ratio of radio ownership to total population rather than upon coverage of radio homes.

For each station, statistics are given on number of counties, urban population, rural population, total population, total families, radio homes, radio listeners, residence telephones, passenger autos, domestic gas consumers, electric wired homes, retail outlets and retail sales.

Handsomely printed on heavy stock, with heavy die-cut board covers and a new loose-leaf back binding permitting flat opening, and insertion of new maps, the study is an impressive volume. The edition is limited to agencies and national advertisers—and already practically out of print. Requests should be directed to George Bijur, Columbia Broadcasting System, 485 Madison Avenue, New York City.

### U. S. Housing Survey in Austin Reveals Volume Market Data

Number One of a series of studies on "The Income Factor in Relation to Commodity Use and Ownership" has recently been published by the Division of Marketing and Research of the Macfadden Publications. Sales and advertising executives will find in this brief study, and we believe in those that will follow it from this same source, important data on the volume market. It is based on the Department of Commerce studies growing out of the housing survey known as the Real Property In-

ventory, inaugurated in 1934 and directed by the Department of Commerce. The present study covers Austin, Texas; other studies in process will include Fargo, North Dakota; Portland, Maine; Columbia, South Carolina; and Salt Lake City, Utah. In the Austin study, data were secured on the income and consumer use of selected goods and services of 13.3% of the city population—a thoroughly responsible "sample." Services and goods included electricity for lighting, gas for cooking, bath tubs and showers, automobiles and mechanical refrigerators. Macfadden Publications is naturally interested in the results, as they show the importance of the lower income groups both with regard to use of these products and services, and the potential market for new items or replacements. In the case of automobiles, for example, it is shown that among the 1,513 families having incomes of less than \$3,000, there are 896 car owning families—whereas in the 184 remaining families (with incomes of \$3,000 and over), 171 families are car owners. Virtual saturation among this latter group is of course important, but the actual market and the potential market among the lower income group is several times larger. For this study and the series to come, write Everett R. Smith, Macfadden Publications, Graybar Building, New York City.

### Recent Compensation Studies

Sales executives will find two recent reports on salesmen's compensation of value. Based on wide investigation to determine methods most satisfactory under present-day selling conditions, they cover the general field of "Selecting a Plan for Compensating Salesmen," and the more specific problem of "Compensating Wholesale Paper Salesmen." Write H. A. Richmond, Policyholders Service Bureau, Metropolitan Life Insurance Company, 1 Madison Avenue, New York City.

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order.

### EXECUTIVES WANTED

#### FROM COAST TO COAST

Confidential Service Bureau for Executives and Professional Men. High Salaried Men wishing to improve or seeking employment. Moderate fee to be paid to finance Direct Mail Campaign. Refund provided for. Send name and address to R. H. Bar and Co., Dept. H., Book Bldg., Detroit, Michigan.

#### OPENING FOR SEVERAL SALESMEN OF PROVED ABILITY

If you can sell to executives a fundamental product and service (not a high-pressure, one-time proposition, but a basic necessity on which the larger corporations place three- and four-figure orders again and again)—if you know enough about selling and sales promotion to meet its ablest practitioners on their own ground, analyzing their problems and submitting sound ideas—if you are a producer with a successful selling record—if you are a worker, in a position to travel constantly over your territory—if your personality and character measure up—there is an opening and a future for you here, with this prominent 35-year-old company. Office and telephone expense paid; compensation, straight commission. Excellent opportunity to obtain valuable territory, at a most opportune time to enter this field. Apply by letter only, in confidence, to our

advertising agency, Hoffman & York, Century Bldg., Milwaukee, Wis.

**SALARIED POSITIONS \$2,500 to \$26,000.** This thoroughly organized advertising service of 25 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo N. Y.

### POSITION WANTED

#### SALES MANAGER

College woman, 15 years' outstanding record as sales executive and manager. Has developed and managed large, high-grade sales organization in N. Y. and Eastern territory, doing \$500,000 business a year. Broad business experience and sound judgment. Available for sound proposition with earning possibilities. Address Box 436, SALES MANAGEMENT, 420 Lexington Ave., New York City.

TORONTO  
MONTREAL  
WINNIPEG  
LONDON

GIBBONS KNOWS CANADA

REGINA  
CALGARY  
EDMONTON  
VANCOUVER



# Comment

**WASHINGTON CARRIES ON:** Many business men who think there has been a definite swing in the political sentiment of the country and who see much of significance in certain Supreme Court decisions and the failure of certain legislation to pass or to succeed after being passed, are likely to conclude that government and business are soon going to be operating largely independent of each other. The adjournment of Congress and the resultant drop in newspaper copy emanating from Washington are likely to accentuate this feeling. But, in our opinion, such conclusions are neither safe nor justified. . . . The Federal Government has already reached into the business orbit so deeply and in so many different directions that it would take years, not months, to unscramble what is already scrambled. Moreover, if there is any one characteristic of the Roosevelt Administration which stands out above all others, it is the effort, *never relaxing*, to extend governmental regulation and control over business by methods which depend on the immediate or at least ultimate extraction of larger taxes from business. Wherefore, we say business should be ever vigilant about what is going on in Washington, for a variety of reasons. . . . The taxing of the super-wealthy is but a smoke screen for what must come later, across the whole length and breadth of business. . . . The first session of the Seventy-fourth Congress may have developed a few setbacks and expedient compromises for the New Deal, but it was, by and large, a session which represented a major victory for the Administration. . . . The theorists, brain-trusters, radicals and conservatives of both parties are going to keep busy between now and the January session of Congress cooking up new plans and programs; in fact, the chances of the 1936 session turning out as innocuous as many are predicting seems decidedly unlikely. The new laws must be put into operation, with all the necessary new rules and regulations. NRA is bound to reappear in new guises, in part, at least. Moreover, much of what the future holds is certain to revolve around trade practices, sales taxes and numerous other phases *which deal quite strictly with the sales side of business*. . . . Wherefore, we recommend that business executives keep ever alert as to how, why, when and where Washington is carrying on.

**SALES OUTLOOK IS BRIGHTER:** Earlier in the year, many authorities were all definite in their predictions that the business of the country would experience a sharp falling off in the late Spring, and considerable lull during the Summer period. SALES MANAGEMENT did not concur with these forecasts because it believed that the *growing momentum* of certain underlying forces would in large measure offset the conclusions to

which many of the conventional indices then pointed. We kept looking and thinking about such significant factors as (1) the enormous and well sustained increase in the spendable money income of the farm population; (2) the return of public confidence in the banks; (3) the tremendously excessive estimates of *employables* who are unemployed; (4) the great progress in straightening out the finances and credit of many municipalities and of some states; (5) the normalizing of the mortgage structure; (6) the cumulative effect of relief spending and particularly of credit priming; (7) the growing realization that the United States can greatly increase its volume of business without enormous expansion of either its export or import trade; (8) the cumulative effects of what some choose to call deflation and others inflation; (9) the gradual but definite upward trend in new financing and refunding through public issues; (10) the actual record steadily establishing the relative soundness of various governmental experiments seeking to expedite recovery and the current, definite trend toward reliance on the policies which have proved soundest in actual experience; (11) the spreading belief among business men that their individual success is in the main dependent on their own enterprise and that *enterprise does produce current results*. . . . To us, all of these augured then and augur now for a further and even better sustained upswing in business than do all of the more spectacular but less significant phases which break so frequently in the spot news of the day. . . . We, therefore, have no hesitancy in predicting steadily improved business for the country as a whole and greater individual rewards for those who manifest the most enterprise, *particularly on the sales and advertising side of their businesses*.

**WHO ARE THE BEST SALES PROSPECTS?** We all notice the big orders as they come flowing in and we take pride in the big names, whether corporate or individual, who are among our users. But in so doing aren't we likely to forget the importance of the mass orders from the small fry who are really the backbone of our businesses? . . . This point is driven home in the series of special studies which the Bureau of Foreign and Domestic Commerce is making in a number of cities. Results have been announced for Austin, Fargo, and Portland, Maine. They all have this in common: The man with a family income running between \$1,000 and \$1,500 is the largest purchaser of most products. For example, in Portland he buys half the automobiles. . . . Perhaps the little fellow isn't so little after all.

*Ray Bill*

# RUBBER

A BILLION DOLLAR INDUSTRY THAT

## HAS COME BACK

**THE PROOF**—The consumption of crude and reclaimed rubber and liquid latex (rubber) in 1934 averaged 20% more than in 1933; over 50% more than 1932—and is still gaining.

Of this 570,000 long tons of all types of rubber—well over a billion pounds—every pound must be compounded with chemicals and processed with machinery and special equipment.

The result has been—and is now—a lively demand for all sorts of compounding chemicals, colors, etc., heavy and light machinery, such as, mills, presses, calenders, etc.; equipment, including molds, gages, valves, and control devices; finishing materials, such as, lacquers and varnishes, and materials handling equipment of all types.

It's a great market for the supplier right now and

### INDIA RUBBER WORLD

(Founded 1889)

offers the direct entree to the executives and technical men who do the buying in every worthwhile rubber plant in the United States and Canada as well as in 42 foreign countries.

INDIA RUBBER WORLD carries 150% more advertising than any other publication in the field, and 67% of its advertising is *exclusive*. That proves prestige and results.

Market data, rates, sample copies on request.

DOMINANT  
PUBLICATION  
OF A



BILLION  
DOLLAR  
MARKET

420 Lexington Avenue

NEW YORK, NEW YORK



## AN ADVERTISING CAMPAIGN IN TIME IS A DIRECT AID TO SELLING

### PHILADELPHIA DEPARTMENT STORE EXECUTIVE:

I regard **TIME** as a magazine read . . . by the type of women whose aim is to be well informed, therefore 95% of this store's customers would, I think, be readers of **TIME**.

### PHILCO RADIO SAN FRANCISCO REPRESENTATIVE:

I think **TIME** will be a very valuable selling aid for me in keeping in close touch with our advertising schedule. I am very familiar with your magazine and have noticed the wonderful ads which it carries.

### C. T. PATTERSON CO., KELVINATOR DISTRIBUTORS, NEW ORLEANS:

We consider this the best magazine of its kind, and feel that those reading the ad are our very best prospects for Kelvinator.

### GAIL E. WOLFE CO., DISTRIBUTORS FOR ROLLS RAZORS, CHARLOTTE, N. C.

It gives us much pleasure to see this advertisement in your magazine which will carry the appealing message to the Best Customers of all our better stores.

### MILWAUKEE REPRESENTATIVE OF CRAWFORD QUICK STEAM UNIT:

It is indeed a great help to me to be able to see this advertisement at the same time that potential customers in my territory see it. I expect to capitalize on this advertisement by carrying my copy of this issue with me and call the attention of our customers to the consumer appeal that is being created for them in such a worth while publication as yours.

### BIGGEST GROCERY JOBBER IN IOWA:

**TIME** is a real, up-to-the-minute periodical, and the fact that a food product is advertised in its columns is a great endorsement of its saleability.

### GROCERY JOBBER IN MINNEAPOLIS:

We find that **TIME** is read by many of our better grocers.

### ST. LOUIS DEPARTMENT STORE EXECUTIVE:

We believe that **TIME** has a unique type of reader audience. **TIME** readers of these **TIME**—should be influenced by **TIME** advertisements.

### CANDY SALESMAN, PHILADELPHIA:

Naturally I am much pleased when Whitman gave me the added talking point. I have been carrying **TIME** with me into each store. Many dealers were enthusiastic and praised **TIME** which they tell me is read by their most prosperous customers.

### MERCHANDISING MANAGER OF A PUBLIC UTILITY COMPANY IN NEW HAMPSHIRE:

In my opinion, advertising in the magazine **TIME** is one of the most effective ways of carrying the Kelvinator story to the public.

### GENERAL FOODS DISTRICT SALES MANAGER, DALLAS, TEXAS:

I believe your publication will be of considerable selling aid to those products of ours which are advertised in your magazine.

### GENERAL FOODS SALESMAN, LOUISVILLE, KY.:

**TIME** will be very helpful in selling Sanka Coffee and getting my jobbers and chain stores to push the sale of same.

### A GRADE A GROCER:

We consider **TIME** an excellent advertising medium for the class of trade who patronize us.

### ANOTHER GRADE A GROCER:

I have checked the list of products advertised in **TIME** and we have them all in stock.

### A GROCERY WHOLESALER:

The high type of grocer is the kind of man who reads and enjoys **TIME**.

### A GROCERY CHAIN STORE EXECUTIVE:

**TIME** heads our list of preferred magazines. **TIME** advertising is always read because it is interesting and is above the average. It has that certain thing which puts it into a class by itself.

### CINCINNATI DEPARTMENT STORE EXECUTIVE:

We think **TIME** one of the best mediums of advertising any high class article.

### A YOUNG MAN DEPARTMENT STORE EXECUTIVE:

We will be very happy to recommend your medium to any of the national manufacturers if they ask our opinion.

### NEW ENGLAND REPRESENTATIVE, L. A. YOUNG GOLF COMPANY:

You will be interested to hear that I have run into a good many inquiries on the Links Clubs directly due to the full page ad in **TIME**.

### NOVILL MANUFACTURING COMPANY:

In some cases the customers have, without reference to the advertising on our salesman's part, themselves mentioned it to our salesmen, and in other cases where the salesman has mentioned a specific ad the customer remembers reading it.

### AUTOCAR DEALER, ARDMORE, PA.:

I am one of your well-known cover-to-cover readers who leave their fingerprints on every page. Barring illness or blindness, I can be counted on to see every advertisement in **TIME**.

### SHARP & DOHME, TERRITORIAL REPRESENTATIVE, ALTOONA, PA.:

That S & D adopted **TIME**'s columns for their advertising pleases my ego for it verifies my belief in **TIME** as an advertising medium for high grade products.

### SHARP & DOHME, TERRITORIAL REPRESENTATIVE, SAN BERNARDINO, CAL.:

All my customers will enjoy the same satisfaction in knowing that the greatest pharmaceutical house in the world is co-operating with the finest magazine in the world.

### DISTRICT OFFICE (GRAND RAPIDS, MICH.) OF MONROE CALCULATING MACHINE COMPANY:

Since the **TIME** Weekly Newsmagazine has been carrying the Monroe Company advertising I have had customers and prospects in many cases mention that they have read it. I believe that it is a good way to keep the trade Monroe conscious.